

5. UNIVERSITY REFORMS - THE ROUGH END OF THE PINEAPPLE FOR THE ARTS?

5.1 Australian universities are independent bodies established under State legislation, but since 1974 they have been mostly funded by the Commonwealth - to the tune of \$4.5 billion in 1993-94.¹ This establishes a clear Commonwealth responsibility for overseeing the performance of the sector in the light of national goals; though what this should mean in detail is a matter of ongoing debate about the right balance between universities' accountability for public money and their traditional academic freedom.

5.2 There have been major reforms in the university sector generally in the last decade. The key elements of this are the amalgamation of universities to form the Unified National System (1987-88) and associated reforms to funding mechanisms. The burden of the evidence given to the Committee was that these reforms have affected arts teaching detrimentally.²

5.3 Doubtless all disciplines in the university system have their grievances, and all think they deserve more money. Few submissions tried to draw comparisons with areas outside the arts, or considered how important their problems are compared with other people's problems. Nevertheless, the indications are that the side-effects of reform have affected arts disciplines disproportionately, in ways that were probably not intended or anticipated by the architects of the reforms.

5.4 This chapter is mostly about the problems of practical arts courses. The problems of the arts in teacher training are addressed in chapter 2.

The Unified National System of universities

5.5 In 1989 the historic division between universities and colleges of advanced education ended when they were amalgamated into the 35 enlarged universities of the

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- 1 Department of Employment, Education and Training, *Annual Report 1993-94*, p79. In 1990 the higher education sector's funds came from the Commonwealth 73 per cent; State governments 5 per cent; student fees 10 per cent; donations, bequests and investments 11 per cent. Department of Employment, Education and Training, *Recent Trends and Current Issues in Australian Higher Education*, 1993, p3.
 - 2 Readers are reminded that in this report 'arts' means things like dance, drama, music, visual arts and crafts. It does *not* mean - as in the traditional university term 'Bachelor of Arts' - humanities generally.

Unified National System.³ Formerly independent specialist art schools and conservatoriums of music became attached to large universities.⁴

A few amalgamated arts school are happy -

5.6 Whether arts faculties are better or worse off after amalgamation with universities seems to vary greatly on a case by case basis. A few were positive, in principle, about the potential benefits:

‘The potentially positive aspects of the Unified National System are, in general, that:

- universities have become more publicly accountable....
- universities have been exposed to new practices in teaching and learning and have been forced to assess their practices....
- there is the possibility of developing new relationships between autonomous university disciplines
- there is the possibility to develop a greater degree of diversity and difference across the system
- there is the opportunity to challenge the traditional hierarchy of knowledge and the formation of social inequity and division.’ (Prof. Richard Dunn, submission 114 p1362)

5.7 But most were cautious, including the witness just quoted, who continued -

‘The benefits depend on the flexibility and responsiveness of university managers and on government-developed guidelines. It needs to be understood that there has been a significant down-side to the amalgamation of all art and music schools into multidiscipline universities and that this should be assessed on a case by case basis rather than on a system-wide basis.’ (Prof. Richard Dunn, submission 114 p1362)

‘Performers and arts practitioners need to be alert to the potential problems raised by their incorporation within the university system, where a greater emphasis is to be placed on academic requirements at the expense of practice.’ (Australian National University Institute of the Arts, submission 116 p1382)

5.8 As to the results in practice, some academic witnesses indicated they were happy with their position in amalgamated universities.

3 There are also four publicly funded higher education institutions that are not part of the Unified National System, and two private universities.

4 apart from three national training institutions which, for historical reasons, are independent and funded by the Commonwealth Department of Communications and the Arts - the Australian Film, Television and Radio School, the Australian Ballet School, and the National Institute of Dramatic Arts. Department of Communications and the Arts, submission 127 p1551. The Commonwealth Government’s *Creative Nation* cultural policy (October 1994, pp20,25) adds to these an Australian National Institute for Indigenous Performing Arts and a National Academy of Music.

‘Southern Cross University [NSW] is supportive of its creative arts areas and at an institutional level we believe that our best interests have been served wherever possible. In this regard, and because of the relatively high profile that we have achieved, we are probably a somewhat anomalous regional case.’

5.9 The experience of the Canberra School of Art and the Canberra School of Music with the Australian National University was another good example offered.

- but most are not happy

5.10 Most arts faculties were not happy after amalgamation with universities.

‘An inordinate amount of time and energy has been wasted in a significant number of Australian tertiary education institutions over the last four years in attempting to adapt what may be viewed as cultures alien to each other. That quality of arts education has either stood still or suffered through this process.’ (Prof. Richard Dunn, submission 114 p1362)

5.11 The burden of the complaint was that universities have an academic, research-oriented culture that does not accommodate the different nature of arts activities -

‘Arts education has generally suffered from the fact that people with real experience and insights in the arts have seldom been in administrative positions....where final policy and funding decisions have been made. As a consequence, academic factors which ignore the special case of art education have generally been applied to decisions relating to the arts. Such decisions lacked sensitivity to the real needs of the arts, and generally reflect the suspicion often felt towards....the arts. The great advantage of the existence of the College of the Arts as an independent institution is that its Principal can be a person experienced in the Arts.’ (Prof. Richard Dunn, attachment to submission 114)

‘Several first-rate artists with practices formerly at the cutting edge of visual research have been re-directed into uncomfortable and usually inept roles as third-rate academics, forced to play by unfamiliar, largely irrelevant rules.’ (Prof. Norman Baggaley, submission 122 p1471)

‘The University exhibits a tendency to homogenise diverse disciplines under a single educational paradigm. This is particularly evident in the area of research.’ (Prof. Richard Dunn, submission 114 p1362)

5.12 The general bureaucratic and political problems of large universities were also mentioned -

‘Urgent decisions such as those regarding the College’s structure and accommodation have taken years.’ (Prof. Richard Dunn, submission 114 p1362)

‘Newer and small disciplines are subject to the dominant, well-established traditional disciplines, each with its own ambition, corporate status and

academic priorities focussed on scholarship and research.’ (Prof. Richard Dunn, submission 114 p1362)

5.13 Not only formerly independent art schools but also former Colleges of Advanced Education (CAEs) had their problems -

‘The process of [university] amalgamation has been extremely detrimental to the crafts in many instances whereby the content of highly regarded CAE courses were adjusted, resulting in a reduction of emphasis on skill.’ (Crafts Council of Queensland Ltd, submission 103 p1254)

‘Ironically, as technical colleges become CAE’s, and Institutes of Technology becomes universities, the vocational courses that ‘trained’ artists in a career in much the same way that bricklayers were apprenticed to practitioners - to learn the techniques that would make them employable - become expected to provide a more intellectual rationale for the professional development of artists in all areas. The conflict between professional qualifications and vocational training is enhanced rather than eliminated by the [university] mergers.’ (Dr Felicity Haynes, submission 91 p1065)

‘Many of the pre-1987 [pre-amalgamation] Universities do not comprehend the role of Visual and Fine Arts in the context of a traditional University environment. Ironically, the post 1987 cohort, in their clamour to achieve status, has marginalised activities that do not fit the dollar rich research oriented focus expected of contemporary Australian Universities.’ (Associate Prof. John Teschendorff, submission 76p794)

5.14 Importantly for our discussion of teacher training in chapter 2, some of the same problems seem to apply to Education faculties - the descendants of formerly independent Teachers’ Colleges - as well as to Arts faculties. Education faculties, it seems, are also low in the pecking order in university politics - and arts education, the lowest of the low.

‘...the impact of amalgamations between Universities and Colleges of Advanced Education has reduced the diversity of offerings and limited possible career options [in dance]. Education faculties have been severely cut back at both Melbourne and Deakin Universities.’ (Ausdance (Vic) Inc., submission 79a p898)

‘...given the almost complete take-over of teacher education by the University sector in some states it could be argued that the more practical aspects of teacher education in the visual and performing arts (once a significant characteristic of the College of Advanced Education system) has now been weakened and undermined by the more theoretical and academic approaches...associated with traditional university education.’ (Mr John Deverall, submission 6 p93)

5.15 Better teacher training is crucial in breaking out of the cycle of neglect in arts education. If the ramifications of the Unified National System are causing problems in teacher training, this is a matter of great concern.

5.16 The status of Education faculties is also relevant to the important matter of education research, mentioned at paragraph 5.67 and following.

5.17 The Committee cannot suggest any quick fix. The Commonwealth has a firm policy of funding universities by means of a 'block grant' to the institution as a whole, the spending of which is decided internally without Commonwealth interference; the Commonwealth does not delve into the problems of individual faculties. The Committee has sympathy with the concern expressed by the Department of Employment, Education and Training that to rejig the system in favour of a particular discipline would invite similar lobbying from every other discipline, and would fundamentally undermine the Commonwealth's 'hands-off' policy. In any case, the problem appears to be mostly a matter of attitudes and university politics; we doubt that any attempt to solve it by *fiat* from the Commonwealth level would be effective.

5.18 Nevertheless, since the Commonwealth instigated the Unified National System, the Commonwealth must bear some responsibility for the results in practice - the collateral damage as well as the desired goals. The Commonwealth cannot wash its hands of a problem by reference to the mantra of the university's internal autonomy, if the problem is made inevitable by the higher level structures that the Commonwealth has set up. The university's internal decision may be the immediate cause of a problem; the structure that influence's the university's internal decision may be an underlying cause; both are important. This is a theme that recurs in discussion below about other problems which arts educators have found in university reforms.

5.19 This raises the question of assessing the performance of the Unified National System generally - a question which obviously goes far beyond the arts, but which will have particular interest for the arts in light of the complaints stated above. There has been no organised overall evaluation of the Unified National System as such (that is, a 'before and after' study), though of course the Commonwealth, through the Higher Education Council, is continuously monitoring the state of higher education generally.

5.20 The Committee's concern is that a 'continuous monitoring' approach, if it is focused on universities as a whole, may miss the problems of particular faculties - not only arts faculties, but any faculties which are small, or new, or whose educational results are harder to measure, or which do not have the runs on the board in research. The internal politics of the university may mean that these faculties tend to be overlooked when the university as a whole deals with the Commonwealth; their problems will not show on system-wide average statistics (such as Commonwealth grant dollars per university student); but if certain faculties have particular problems *which are replicated throughout the whole system*, this is an important thing to know and may have important effects on equity and diversity in the university system.

5.21 Correspondingly, where the experience of amalgamation has been a happy one, it is important that the reasons for this should be widely known so that they may inform strategies for ameliorating the problems more widely.

Recommendation 19

19. The Commonwealth and the Australian Vice-Chancellors' Committee, as part of the Quality Assurance Program in higher education, should monitor the effects of the Unified National System reforms to universities on a discipline by discipline basis. They should report on any trends which are disadvantaging some disciplines relative to others. They should suggest strategies for ameliorating these trends.

5.22 This is a general recommendation. It encompasses the specific problems dealt with below, concerning the Relative Funding Model for calculating universities' block grants, and research funding arrangements. These are particular areas where, according to the Committee's evidence, administrative arrangements established by the Commonwealth have influenced the attitudes and decisions of university administrations to the detriment of the arts. Dealing with these problems separately as suggested below would probably go a long way to improving the status of arts in the universities generally.

The Relative Funding Model for university teaching costs

5.23 The Relative Funding Model was devised in 1990, with the purpose of discovering whether any universities were significantly over-funded or underfunded in their Commonwealth operating grants. University subjects were divided into 21 disciplines; the costs of teaching the various disciplines were assessed by means of three teaching cost studies; the disciplines were grouped into 5 clusters, the members of each cluster having similar costs, and these clusters were given different weightings; the weightings were multiplied by the student numbers in the various clusters in each university to give a notional teaching cost for each university that could be compared with the university's actual grant. This exercise discovered that some universities' grants were up to 20 per cent above or below what the model suggested. Over a transition period overfunded and underfunded universities have had their grants and/or student load adjusted to bring them towards the average.

5.24 Three sets of weights were calculated: one for undergraduate courses, one for post-graduate courses such as masters degrees and graduate diplomas, and one for higher degree courses. Some examples of the undergraduate weightings are: accounting, economics, law: 1.0; education, maths 1.3; computing, nursing, visual/performing arts 1.6; engineering, science 2.2; agriculture, medicine 2.7. The full list is at Figure 15.

5.25 It is important to remember firstly, that the model was to reflect actual historic costs, not aims or ideals; secondly, that the weightings are only approximate. The model does not mean that it costs the same to teach undergraduate education and maths: the clustering of the disciplines conceals differences within the clusters. The

clusters were fashioned in order to group together disciplines with *roughly* similar teaching costs subject to the need to avoid statistical distortions.⁵

‘It must be stressed that the weights assigned in the teaching costs matrix cannot be precise and must reflect some judgment.’ (Hon. Peter Baldwin, *Assessment of the Relative Funding Position of Australia’s Higher Education Institutions*, August 1990, p3)

Arts educators unanimous in condemning the model

5.26 Submissions to this inquiry from university people were unanimous in condemning the effects of the Relative Funding Model on the arts. Their complaint was simple: teaching practical arts involves high cost studio and small group teaching, with costs more comparable to the practical sciences than to other humanities. It is claimed that putting the arts in the cluster with average weighting 1.6 does not recognise this; the 1.6 weighting is too low for arts; as university administrations tend to follow the Relative Funding Model weightings when dividing their operating grants among their faculties, this disadvantages arts.

‘There is a serious imbalance in the allocation of resources within universities between science and humanities (that is arts and culture) disciplines. This imbalance has its origins in the arbitrary DEET decision regarding the weighting of different disciplines for the purpose of funding allocations to universities.... This differential weighting flows through to departments within universities.’ (Prof. Barrie Reynold, submission 2 p11)

5.27 Part of the problem relates to the degree of approximation resulting from grouping the disciplines in five clusters. Any subject that has above average costs in its cluster will be disadvantaged if university administrations uncritically use the average weighting for the cluster in distributing funds to *all* subjects in the cluster. It was implied, though not claimed explicitly in the submissions, that visual and performing arts cost more than the other disciplines in cluster 3.⁶ The design of the clusters tried to minimise these differentials; it seems that in the case of practical arts it has not succeeded. Possibly, in the design of the model, arts disciplines were disadvantaged by the fact that they are small. If a cluster contains a large outlier, to

5 For example, an earlier four cluster model placed Education on the cusp between cluster 1 and cluster 2. As Education is a large discipline, putting it in cluster 1 would have distorted the average weighting for cluster 1 upwards, or putting it in cluster 2 would have distorted the average weighting for cluster 2 downwards, to an extent that was regarded as unacceptable. A fifth cluster was created to avoid the problem. Department of Employment, Education and Training & National Board of Employment, Education and Training, *Relative Funding Model: a Draft Proposal*, June 1990, p24.

6 Undergraduate cluster 3 (weighting 1.6) consists of visual/performing arts; computing; nursing; ‘other built environment’ (such as architecture, environmental design); ‘other health’ (such as dietetics, optometry, other health sciences); and languages other than English. See Figure 15. Hon. Peter Baldwin, *Assessment of the Relative Funding Position of Australia’s Higher Education Institutions*, August 1990, p13.

avoid distortions the clusters must be rearranged;⁷ whereas a small outlier can be accommodated without distorting the average weighting for the cluster unduly. But this is unfortunate for the small outlier, if it is more costly than the average for the group.⁸

5.28 A specific problem concerns the cost differentials *within* arts faculties, between lecture hall activities and practical studio activities:

‘The differences in the training of performers, musicians and visual arts practitioners as against general education in the arts is currently not recognised in the funding of arts education institutions. This problem is reflected in the fact that all forms of performing and visual arts are included in the same funding category for higher education institutions. The training of performers and practitioners is more expensive than other education in the arts or teacher training.’ (Australian National University Institute of the Arts, submission 116 p1381)

‘A differential in recognition of the distinction between high cost laboratory and low cost (mass classes) lecture hall teaching is valid. Those departments, however, that provide laboratory and studio teaching (fine arts, museum studies, material anthropology) within arts programs, however, are penalised.’ (Prof. Barrie Reynold, submission 2 p11)

5.29 Part of the problem relates to claims that the research on which the weightings were based was flawed. Again, the fact that arts faculties are small would tend to make the margin of error in any sampling study greater.

‘DEET refuses to reconsider its own weightings which it based on inadequate research. A primary example is Material Anthropology (the study of artefacts). This is a term I myself coined and James Cook University is unique in its dedicated programs in this area. Yet DEET made no attempt to consult us in its assessment of weighting.’ (Prof. Barrie Reynold, submission 2 p11)

‘We went into amalgamation situations underfunded because of the incorrectness or placement of certain aspects of our disciplines. We have discussed this with DEET and we have discussed it with Ministers of Education, who have agreed with our figures. [Emeritus Professor] Peter Karmel has discussed it with Mr Baldwin, who agreed with our figures and said, “There is nothing I can do; if I open it up it will open up the whole Pandora’s box again, but we are still stuck with it.”’ (Professor John Painter, member of National Council of Heads of Tertiary Music Schools, at a private briefing for the Committee 29 May 1995)

‘If the Relative Funding Model was to be an inviolable covenant then the research on which it was based should have been more thorough and more

7 As was done for Education - see paragraph 5.25, footnote.

8 This is a speculation - the Committee has not tried to delve into the original teaching cost studies, and the published documents describe the design of the clusters only in generalities.

defensible. If it was only to be a casual starting point then it should be able to be modified.’ (Faculty of Arts, Southern Cross University, submission 36 p419)

‘Let it also be on the record that, in many schools of art and design and music, we are very grateful to the States and Territories for assisting us in topping up some of these shortfalls.’ (Professor David Williams, Australian Council of University Art & Design Schools, at a private briefing for the Committee 29 May 1995)

The Commonwealth acknowledged problems at the time

5.30 The Commonwealth acknowledged at the time that the Relative Funding Model held problems for the arts. The arts was the only discipline so mentioned; it seems a clear acknowledgment that the arts faced special problems -

‘The Higher Education Council and the Department of Employment, Education and Training were not convinced, however, that they had sufficient information on the cost of the teaching of performing arts in specialist institutions, where one to one instruction is often the norm. An investigation of this aspect of teaching costs will be undertaken.’ (Hon. Peter Baldwin, *Assessment of the Relative Funding Position of Australia’s Higher Education Institutions*, 1990, p4)

5.31 This investigation has never been done.

Recommendation 20

20. The Department of Employment, Education and Training should carry out the further investigation of arts teaching costs promised when the Relative Funding Model was introduced, with a view to establishing the extent of any relative disadvantage to the arts under the current model.

5.32 In answer to these complaints it may be said that the Relative Funding Model is about relativities, not about total dollars. Probably all university faculties are convinced they need more money; the Relative Funding Model doesn’t guarantee that *any* faculty will get as much as it thinks it needs.

5.33 The Committee is mindful of this distinction. The weight of the evidence was not merely that ‘arts needs more money’, but that the arts are *relatively* disadvantaged.

5.34 The Department of Employment, Education and Training has a number of answers to these complaints, none of which the Committee finds very convincing.

5.35 Firstly, it is said that the Relative Funding Model was a one-off exercise, designed to set a new level playing field over the system as a whole; it is now history. It is not the basis for ongoing incremental change.

‘Following the adjustment process arising from the application of the model to assess existing allocations, future funding mechanisms for teaching and research activities will mean that institutions continue to be funded appropriately for their profile.’ (Hon. Peter Baldwin, *Assessment of the Relative Funding Position of Australia’s Higher Education Institutions*, 1990, p18)

5.36 To this it may be said: if the model was used to set a new level playing field, and funds for growth are allocated as increments based on this, it is obvious that any inaccuracy in the original model continues to have its effects year after year in the substrate to which the increments are added.

5.37 As well, funds for growth must presumably be based upon some estimate of teaching costs - if a university grows in an expensive discipline it obviously needs more funds for growth than if it grows in a cheap discipline. The Committee understands that the Department of Employment, Education and Training continues to use the weightings of the Relative Funding Model as part of the input to calculating funds for growth.

5.38 The Department’s second response is to point out that because arts faculties are very small⁹, even if their weighting was increased the university’s total grant would hardly change at all - and of course, because of the university’s internal autonomy, there is no guarantee that any increase in the total block grant would flow through to the arts.

5.39 This completely misses the point. The point is not about particular dollars, but about attitudes: about the tendency of universities administrations to rely on the model, and the handicap that arts faculties suffer thereby. The Committee’s witnesses would answer that to increase the weighting of the arts *would* significantly improve their lot, even if the university’s total grant didn’t change at all.

5.40 The Department’s third response to criticism of the Relative Funding Model is to stress that the model was never intended to dictate universities’ internal distribution of funds. Universities have complete internal autonomy: it is up to them to make any necessary adjustments so that their various faculties get fair shares of the university’s total block grant.

‘...this relative funding model has been designed for a one-off systemwide application rather than an application at the institutional level. [that is, within each institution]’ (Hon. Peter Baldwin, *Assessment of the Relative Funding Position of Australia’s Higher Education Institutions*, 1990, p9)

9 Arts enrolments represent 3.65 per cent of university enrolments. Department of Employment, Education and Training, submission 130 p1636.

5.41 It seems that part of the reason for making the model simple, with few clusters and, therefore, only approximate weightings, was to discourage universities from using it in their internal decisions.¹⁰

Universities do use the model internally

5.42 The answer to this is that, regardless of intentions, it hasn't happened that way. The weight of evidence to the inquiry is that universities *do* use the Relative Funding Model weightings to guide their internal budgeting, to the detriment of the arts. History - the historic costs basis of the model - has tended to become destiny. This is a natural result of the internal politics of the university: there is a strong impulse for the faculty deans in committee to look for some external authority to resolve their perpetual debates over funding.

‘Universities, although not required, tend to be guided by DEET funding models in their allocation of funds within. Thus the inequity of funding at the Commonwealth level is maintained, for obvious reasons, within universities.’ (Prof Richard Dunn, submission 114 p1364)

‘We believe that this state of affairs is well known in government and educational circles and that it is unreasonable to allow it to continue. The much stated argument that the Relative Funding Model provides only approximate weightings and that institutions are able to adjust their budgets accordingly appears vacuous. The facts are that these discipline areas are discriminated against federally and that institutions are automatically precipitated into perpetual internal debates concerning major reallocations of funds. It should come as no surprise that when in doubt many institutions will tend to use the Relative Funding Model as a touchstone during the construction of internal budgets.’ (Faculty of Arts, Southern Cross University, submission 36 p419)

5.43 It is not good enough for the Commonwealth to blame the universities entirely for this situation. The behaviour complained of is a predictable result of a structure which the Commonwealth itself established. If the Relative Funding Model was intended *not* to inform internal decision-making, in that respect it has failed. The Commonwealth has a responsibility to help seek remedies for that failure.

5.44 A large part of the problem is that the small number of discipline clusters makes the weightings very approximate. The Model as it stands, when used for internal decision-making, is a blunt instrument, likely to prejudice not only the arts but also other disciplines whose costs are above the average for the cluster they find themselves in.

5.45 The Committee does not understand why this degree of simplicity was thought so necessary. We would hope that a statistically valid range of detailed

10 Department of Employment, Education and Training & National Board of Employment, Education and Training, *Relative Funding Model: a Draft Proposal*, June 1990, p5.

samples was taken in the original teaching cost studies (although some evidence suggested that this may not be so - see paragraph 5.29). These samples would have been compared to decide the shape of the clusters then aggregated to decide the weightings. It should not be too much trouble to disaggregate the information again.

5.46 It seems that the Commonwealth wanted to keep the Model simple largely to discourage universities from using it internally - just as a computerised photographic database might deliberately blur the images so that they are not of publishable quality, to prevent them from being published illegally.

‘The funding model should be simple rather than detailed and as a consequence should have minimum influence on institutional resource allocation decisions.’ (Department of Employment, Education and Training & National Board of Employment, Education and Training, *Relative Funding Model: a Draft Proposal*, June 1990, p5)

5.47 The logic of this seems rather shaky. The implication is that if more detailed information existed the universities would have a regrettable tendency to use it; they need to be saved from themselves. This doesn’t sit very comfortably with the policy of institutional autonomy. And in any case, the information is simply a value-free collation of historical costs: *providing* it is accurate, why shouldn’t they use it?

5.48 Since the purpose of keeping the Relative Funding Model simple has failed - the universities *do* use it in their internal decision-making - perhaps the situation should be reconsidered. The Committee considers that it would be better for the universities to use good detailed information rather than the approximate, possibly misleading information of the present clusters and weightings.

Recommendation 21

21. The information base of the Relative Funding Model should be disaggregated and published, so that universities’ internal budgeting decisions may be informed by detailed information rather than by the approximate and possibly misleading information contained in the present clusters and weightings.

Need for periodical review

5.49 Harking back to the first argument noted above - the Relative Funding Model was intended for once-only application - there is a further issue. The Relative Funding Model should be revisited from time to time, not only because of the possibility that some original figures were inaccurate, but also because the relative teaching costs of various subjects may change over time. Different subjects may be differently affected by new teaching methods or the need for new technology, for example.

5.50 In fact, at the time the Relative Funding Model was under discussion, ‘....The majority of respondents [to the draft Relative Funding Model proposal] argued that the relative funding model should be used in an on-going way to monitor the equitable allocation of future system-wide resources.’¹¹ The Government rejected this view, saying:

‘The Higher Education Council and the Department of Employment, Education and Training believe that such a proposal has doubtful validity. Following the adjustment process arising from the application of the model to assess existing allocations, future funding mechanisms for teaching and research activities will mean that institutions continue to be funded appropriately for their profile. Regular application of the model would inhibit institutional autonomy in the internal allocation of resources. It is critical that the system-wide model not be used in this way.... Given that this relative funding model has been designed for a one-off system-wide application rather than application at the institutional level, the issue of changing relativities between disciplines should be addressed by institutions in their internal allocation of funds.’ (Hon. Peter Baldwin, *Assessment of the Relative Funding Position of Australia’s Higher Education Institutions*, 1990, pp7,10)

5.51 Again, the Committee considers that the logic of this argument is shaky. We do not see why regular application of the model would inhibit institutional autonomy. Institutional autonomy is created by the block grant system; regular application of the model would simply be a different way of calculating the amount of the block grant, alternative to the ‘new level playing field plus incremental growth’. Either way the calculation is based on historic costs and is not prescriptive.

5.52 Without periodic reassessment of relative teaching costs there is a risk that over time the new level playing field may gradually become bumpy again as the costs of different disciplines are differently affected by new developments in ways that might affect some universities disproportionately (for example, universities that have above average enrolments in disciplines whose costs are increasing relatively fast). This would be regrettable.

5.53 In 1993 the Australian National Audit Office made similar comments and reached a similar conclusion. It suggested a review of the model every four years. In reply the Department of Employment, Education and Training said -

‘A review of funding relativities at regular intervals is appropriate in principle, but may in practice result in insufficiently material changes to warrant reallocation of resources. Given the constraint of limited growth in higher education resources, the prospect of revised relative funding every four to five years might be seen as conflicting with the principle of triennial funding and the planning certainty that brings with it.’ (Australian National

11 Hon. Peter Baldwin, *Assessment of the Relative Funding Position of Australia’s Higher Education Institutions*, 1990, p7.

Audit Office, *Audit Report No. 14 1993-94 - Efficiency Audit - Growth, Change and Equity: Recurrent Funding of Higher Education*. Canberra, 1993, p xxiv, 36-37)

5.54 The Committee does not think that periodical review needs to conflict with the universities' desire for planning certainty. Reviewing the Relative Funding Model is essentially an information-gathering exercise; *acting* on the information - adjusting grants - can easily be done incrementally over whatever phase-in period is regarded as a suitable compromise between planning certainty and the need for change - just as was done when the model was first made. The principle of 'planning certainty' should not be used to prevent change if change is necessary.

5.55 As to the administrative costs involved in repeating the teaching cost studies periodically, in the context of a sector that consumes \$4.5 billion a year of Commonwealth grant money, the Committee thinks that to stint this type of research would be a false economy.

Recommendation 22

22. The Commonwealth should update the Relative Funding Model now and each five years to ensure its continued accuracy, and should use the information as one of the inputs to ongoing recalculation of the allocation of Commonwealth funding among the universities.

Funding research in universities

5.56 Arts people in universities feel themselves disadvantaged by present research funding arrangements in several ways.

5.57 Firstly, in an environment where the Commonwealth is encouraging universities to seek other sources of income, the status of the arts in the university is relatively lowered by the fact that they have difficulty in attracting private research money.

'While dance staff in universities are now expected to demonstrate involvement in research, there is in fact little support for research in and through the arts generally, let alone in dance. With increased pressure on universities to find alternative sources of funding pressure is on all programs to justify their existence through their capacity to attract funds. The arts have almost no capacity to attract corporate or private funding and are consequently disadvantaged in terms of status within the university environment.' (Ausdance (Vic) Inc., submission 79a p500)

5.58 The Committee presumes that this problem also applies to humanities generally by comparison with 'hard' sciences that may have applications in industry.

The arts falls between two stools

5.59 The arts are also disadvantaged in seeking Commonwealth research funding. There was a perception that arts research falls between the two stools of the Australian Research Council and the Australia Council¹² -

‘The Faculty [of Performing Arts, University of Adelaide] experiences difficulties in obtaining research funding due in part to the limited definitions and perceptions of research currently held. Minimal sums are allocated to performing arts research by the Australian Research Council or large granting bodies, and organisations such as the Australia Council do not directly fund staff in tertiary institutions. In addition it is difficult to attract higher degree students due to the lack of funding, the lack of recognition of research in the field, and the lack of recognition of the importance of academic qualifications in the performing arts community.’ (Faculty of Performing Arts, University of Adelaide, submission 93a p1092)

‘The whole matter of factoring in Australia Council grants needs to be innovatively reviewed. It is a relatively simple matter to channel all scientific grants through institutions but some Australia Council grants in categories which we relate to research would be complicated by such a procedures. For example, grants for musical composition locate the ownership of work created in the hands of those involved, and grants for studio development intended to foster studio investigation place ownership of equipment and materials in the hands of the specific artists concerned (who may be faculty members). The diversion of such grants for accounting purposes via universities will greatly complicate the issue of ownership... Above all, it is important to ensure that arts research (or other investigative undertaking) is not allowed to wither simply because it lies bureaucratically somewhere between territories defined by the Australian Research Council and the Australia Council.’ (Faculty of Arts, Southern Cross University, submission 36 p420)

5.60 Many submissions to the 1994 inquiry into university research by the Senate Standing Committee on Employment, Education and Training felt that the Australian Research Council (ARC) has a structure and culture that emphasises the needs of science. At that inquiry it was also claimed that the ARC discriminates - not in intent, but in effect - against newly emerging areas of research, or subjects spanning more than one discipline. This was said to stem from the structure of the ARC’s assessment panels, which are discipline specific; if true, it is likely to have a disproportionate effect on education, since research in education intrinsically involves two disciplines -

12 The Australian Research Council (ARC) advises the Minister for Employment, Education and Training on the distribution of research grants worth about \$300 million per year in all disciplines except clinical medicine and dentistry (which are covered by the National Health and Medical Research Council). The Australia Council is a statutory authority which distributes about \$50 million a year in grants to support artistic activities.

education as pedagogy as well as a particular subject being taught.¹³ The ARC, following a recommendation of Prof. Ken Wiltshire's *Review of the National Board of Employment, Education and Training* (February 1994), is now investigating the general question of the balance of research funding between disciplines, and plans to report on this by about February 1996.¹⁴

5.61 The Commonwealth Department of Communications and the Arts regrets the lack of centres concerned with arts and cultural topics among the Key Centres of Teaching and Research and the Special Research Centres funded by the Australian Research Council.¹⁵

5.62 The Australian Research Council's programs support research in all disciplines except clinical medicine and dentistry (which are funded by the National Health and Medical Research Council). Deciding how to cut the research cake between the various disciplines is naturally a matter of fine judgment, in which a desire to have a certain balance between disciplines for higher policy reasons may be in tension with the desire to fund only the most meritorious applications.¹⁶ Assessing the relative merits of applications in completely different disciplines must also be problematic. The interactions are complex: a bias might appear as a correlation, not an intended result. For example, less established research areas (such as nursing, law and the arts) will have difficulties not because the ARC is 'discriminating' against them as such, but because applicants in these areas will *tend* not to have the support of existing research teams to provide the peer group assessment which is part of the ARC's procedure.

5.63 Be that as it may, as a knock-on effect of these disadvantages the arts lose status in the university, particularly in times of funding constraints and pressure to

13 Senate Standing Committee on Employment, Education and Training, *The Organisation and Funding of Research in Higher Education*, March 1994, pp113, 177. The Committee recommended that the ARC's social sciences/humanities panel be replaced by two panels, one focussing on social sciences and the other on humanities/arts (*ibid.* p115). The Government's response rejected this, pointing out that it is normal for the social sciences/humanities panel to break up into sub-panels on particular matters, and 'these approaches flexibly address the important matter of the relative proportions of funding going to the social sciences and humanities.' *Senate Hansard*, 23 August 1994 p62. On the matter of research straddling disciplines the Committee observed (p178): 'In an attempt to overcome some of these problems the ARC in 1993 established a special panel to consider applications covering more than one discipline or on the boundaries of existing disciplines. This was too recent an innovation to have elicited any response during the Committee's inquiry.'

14 Research on education, as a proportion of total expenditure on education, is relatively low, standing at 0.35 per cent compared with 1.4 per cent for health. See also footnote to paragraph 5.68. National Board of Employment, Education and Training, *Educational Research in Australia - Report of the Review Panel...*, 1992, p98.

15 Department of Communications and the Arts, submission 127 p1565.

16 Most countries have different research advisory councils for different discipline areas, and the higher level cutting of the cake is done at a political level when the budgets of the various councils are set.

find more external funding. Internal decisions tied to research success may compound the disadvantage -

‘There is developing a form of ‘binary system’ within the University [of Sydney]. This split will be based on the ability of a discipline to attract external funds above Commonwealth recurrent funding and its success in research and scholarly activity, according to traditional measures such as the ability to attract corporate or research funding, irrespective of the quality of teaching/education or of the value of the outcome of that research. This will have an effect on the distribution of 30 per cent of recurrent funding for all purposes at the University of Sydney. That is, some faculties that can attract funding above the recurrent grant will be rewarded by being granted further moneys drawn from the recurrent funding that would normally go to other faculties for teaching, equipment, materials. Given this, the arts will greatly suffer.’ (Prof. Richard Dunn, submission 114 p1362)

‘Discrimination against the non-sciences is evident in the allocation of research resources. There is sensible recognition by both universities and funding bodies of the costs of equipment of science and engineering research. There is a lack of awareness that Arts researchers need research assistants for their projects. The same applies to the allocation of technical staff to Science departments and the lack of support staff to Arts departments. The overall result is, as is repeatedly evidence from reports, an inadequate level of research activity among Arts staff with heavy teaching loads.’ (Prof. Barrie Reynolds, submission 2 p11)

5.64 A tough answer to these complaints would be, so what? If university arts activity is not research *properly defined*, that’s too bad - it should find its grant funding not from research budgets, but from the Australia Council’s budget, in fair competition with all the other arts activity in the community.

5.65 The Committee is *not* inclined to make this answer. We are satisfied that there is a serious problem - firstly, because of the uncertainty about what arts-related activity is properly defined as ‘research’; secondly, because of the important negatively reinforcing knock-on effects, affecting the general status of the arts in the university; thirdly, because of the urgent need for more arts-related research which was expressed by *all* types of witnesses in the inquiry, not only university people.

5.66 A particular need was seen for research about arts education, its characteristics and outcomes, at all levels of schooling. This is important not least because it may dispel some of the prejudice that the arts suffer in school as a result of the difficulty of defining and measuring the educational outcomes of ‘creative’ activities.¹⁷

17 The Schools Council of the National Board of Employment, Education and Training has commented generally that ‘the lack of systematically collected, nationally consistent data on educational outcomes continues to be a barrier to effective planning and to the monitoring of the nation’s progress on providing effective and beneficial educational programs for all young

5.67 Research on arts education needs to be placed in the context of research on education generally. Since most education research takes place in universities, the apparently low status of Education faculties (as well as Arts faculties) in university politics is of concern -

‘Most educational research in Australia is conducted within higher education institutions and finance from general operating grants. In that setting the resources for research are heavily dependent upon the number and composition of enrolments in education, and the operating grants provided to education faculties. In part, the latter is dependent on the relative academic standing of education compared to other disciplines. During the 1990s education is likely to be an area of relatively slow enrolment growth in higher education (National Institute of Labour Studies, *Study of the Labour Market for Academics*, Canberra 1990), so there is little prospect of substantially increasing operating grants to education faculties from this source.’ (National Board of Employment, Education and Training, *Education Research in Australia - Report of the Review Panel...*, 1992, p98)

5.68 A 1992 study found that in education research expenditure is relatively low as a proportion of total expenditure, standing at 0.35 per cent of the total - about \$2 per student per year in 1992 dollars - compared with 1.4 per cent in health. It recommended priority ‘in the first instance’ to research on mathematics, science and language and literacy education; but with the comment -

‘All areas of the curriculum require, and are entitled to, regular review and evaluation from a research perspective. Every ten years or so each broad curriculum area should be able to expect a sustained and substantial period of national research activity orientated towards improvement of curriculum content, learning materials, pedagogy and assessment...’ (National Board of Employment, Education and Training, *Educational Research in Australia - Report of the Review Panel...*, 1992, p x,20,80)¹⁸

The right definition of ‘research’

5.69 A fundamental issue is the right definition of ‘research’. The Australian Research Council defines research thus:

- It contributes to our understanding and knowledge through conceptual advances and discoveries; and/or
- It leads to practical outcomes of importance to the research endeavour itself and to applications of social and economic value....

Australians.’ Schools Council [of National Board of Employment, Education and Training], *The Role of Schools in the Vocational Preparation of Australia’s Senior Secondary students: Final Report*, December 1994, p33.

18 This report also found that in-house research by State education authorities has declined in the last decade, and research activities are poorly co-ordinated and thinly spread. It made few discipline-specific comments.

Research supported under ARC programs does not normally include scholarly investigations which, while important in themselves, do not lead to conceptual advances or discoveries, or to novel practical outcomes or applications. Translations, critical editions and textbooks, for example, are not funded.

The programs do not support those activities that lead solely to the creation or performance of a work of art, including visual art, musical composition, drama, dance, designs and literary works. Federal Government support for these activities is provided through the Australia Council for the Arts.' (Australian Research Council, *A definition of research in the ARC context*, November 1993)

5.70 In calculating the 'research quantum' (another source of research funding, considered further below) the Commonwealth uses the OECD definition of research:

'Research and experimental development comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications.' (Department of Employment, Education and Training, *1995 Higher Education Financial and Publications Research Data Collection, Specifications for Preparing Returns*, December 1994, p11)

5.71 What arts activities fit these definitions? Perhaps it is reasonable to distinguish research about the arts from creative works pure and simple. But how large is the grey area between them - the area in which creative works are the vehicle for investigating research questions? To what extent are granting decisions affected if panels imbued with scientific methodology do not recognise that creative works may be the vehicle for investigating research questions? To what extent are arts affected by the problems of deciding the relative merits of completely different types of research activity in different disciplines? If some arts activities don't fit the current definition of research, should the definition be expanded or should the arts go their own way? Is there a risk that trying to make arts research fit the definition will subvert its distinctive character?

'The formal requirements for the development of research in the university context is vastly different from what we [art schools] encouraged as 'professional practice' (this 'research' as such is largely unsupported by the Australian Research Council or Australia Council). There is a need to define what *we* mean by research and its fit with traditional research categories. We need also to be conscious of the danger that if research funding is sought without an expansion of the definition of research we may lose sight of our own priorities. Our research needs to be good for art *and* as research.' (Prof. Richard Dunn, attachment to submission 114)

5.72 The Committee hesitates to make judgments on these difficult questions here. The important things are, firstly, that arts academics and the guardians of research grant money should clarify the terms of the debate between them - whether it is about definitions or about grey areas in interpreting the definitions, whether it is about

different opinions or misunderstandings. Secondly, there is a need to ensure that arts research properly defined is not discriminated against simply by association with the arts, because the arts are regarded as intrinsically not important or not rigorous, or because the research happens to have a purely creative - self-expressive - aspect as well as a research aspect.¹⁹

Recommendations 23, 24

23. The Commonwealth should investigate the general question of whether current research funding arrangements have the effect of discriminating systematically against particular disciplines in unintended ways.

24. The Australian Research Council and the Australian Vice-Chancellors' Committee should form a working party to address the problems of university research in the arts; including, to investigate whether current definitions of 'research' are appropriate in the light of Australia's goals for cultural development; to consider whether there are activities that ought to be funded by one or other but are now funded by neither; to consider whether current research funding arrangements have the effect of discriminating systematically against the arts; to suggest remedies to any problems.

The 'research quantum'

5.73 The 'research quantum' is an amount added to a university's operating grant from the Commonwealth, and intended to help fund research infrastructure - that is, the facilities that a university needs to provide from its own resources to support grant-funded research projects. The amount is based on a weighted formula that includes both inputs - the value of research grants the university wins - and the university's output of approved types of research. Grant money received from approved sources is weighted to 90 per cent of the formula (the 'approved sources' include things like Australian Research Council, Pig Research Council, Wheat Research Council...but do not include the Australia Council). Research output is weighted to 10 per cent of the total formula, scheduled to rise to 30 per cent in 1997. Research 'output' is further subdivided into 'research publications' (7 per cent, to be 18.75 per cent by 1997) and 'higher degree by research completions' (3 per cent, to be 11.25 per cent by 1997). This formula has been devised by consultation between the Department of Employment, Education and Training, the Higher Education Council, the Australian Research Council and the Australian Vice-Chancellors' Committee.²⁰

19 This comment assumes it is valid to draw a clear distinction between these, a matter which, though it may be debatable, the Committee does not want to debate further here.

20 Hon. Simon Crean, Minister for Employment, Education and Training, *Supplementary Higher Education Funding Report for the 1994-96 Triennium*, December 1994, pp7,62-63.

5.74 Like the Relative Funding Model for teaching costs, the research quantum formula is a matter of weightings, not actual dollars. The Department of Employment, Education and Training calculates that, on average, the current research quantum falls a good deal short of universities' actual research infrastructure costs. Universities make up the difference from their other block grant money. At the moment the research quantum represents about 5 per cent of universities' operating grants.

5.75 Submissions to this inquiry during 1994 complained that the list of approved 'research outputs' was limited to written works ('book... chapter... article...' etc), and excluded artistic works. In December 1994 the list was enlarged to include creative works such as 'recorded musical work' or 'exhibition of original art', and the Committee notes this as a positive development. The Australian Council of University Art and Design Schools will make further representations to the Australian Vice-Chancellors' Committee over exactly what the appropriate weightings for such items should be in consideration of the amount of work they require compared with conventional items such as 'book' or 'chapter'.²¹ This issue will become more important as the weighting for 'research publications' is increased from 7 per cent to 18.75 per cent of the total index, planned by 1997.

5.76 The second concern about the research quantum formula is the argument that, because it is mostly proportional to direct research grant income, it will encourage universities to concentrate their research effort in higher direct cost areas and discriminate against relatively low direct cost areas such as the humanities. When the scheme was under development in 1990 the Department of Employment, Education and Training answered this concern thus:

'[Firstly,] averaged across all of an institution's activities, the need for such indirect funding [that is, funding of research infrastructure through the research quantum] can be expressed as a proportion of the amount of direct funding [that is, research grants] received. [secondly] Institutions with a greater concentration of high direct costs research tend to have greater needs for indirect research funding.' (Hon. Peter Baldwin, *Assessment of the Relative Funding Position of Australia's Higher Education Institutions*, 1990, p6)

5.77 The argument seems to be that research infrastructure costs tend to be proportional to direct costs - expensive research needs expensive infrastructure, cheap research needs cheap infrastructure. Expensive research attracts a bigger research quantum, cheap research attracts a smaller research quantum, but in both cases the research quantum will be used up in providing the necessary infrastructure; in both cases the university's net position is zero; therefore the university has no financial reason to value expensive research over cheap research.

5.78 This argument is valid providing two conditions are met. Firstly, the ratio of research infrastructure costs to direct research costs must be similar across different

21 Private briefing for the Committee, 29 May 1995.

disciplines. The research quantum is calculated on the total of the university's output: so if one discipline has relatively cheap research infrastructure, the university will have some change after paying for it, *relatively* speaking, and so may see an incentive to encourage that type of research. This may be the basis of the fear of disadvantage to relatively low direct cost areas such as the humanities, since a low direct cost is equivalent to a high infrastructure cost in terms of the ratio between them.

5.79 Secondly, the argument is valid providing research infrastructure is fully used up in serving the related research, is not shared between disciplines, and does not have spare capacity that the institution can use for other purposes. These amount to the same thing. If research infrastructure does have spare capacity after serving the purpose for which it was first bought it is equivalent to the situation described just above in which the university, relatively speaking, has some change left over. If this spare capacity is proportional to the cost of the research infrastructure and if this proportion is similar over high cost and low cost disciplines, there is an incentive to encourage high cost research since this will maximise spare capacity.

5.80 The Committee knows nothing of the facts of the situation. But it seems obvious, for example, that a university library is an example of infrastructure shared between teaching and research. The Committee considers that the question whether the research quantum formula has created any biases in universities' behaviour is a matter worthy of investigation.

5.81 The remaining complaint about the research quantum formula is that the Australia Council is not included in the list of bodies whose grants count towards the weightings.

'The removal of Australia Council Grants to Artists from those contributing to the calculation of Research Performance Indices has singularly disadvantaged the discipline during the last five years.' (Associate Prof. John Teschendorff, submission 76 p795)

5.82 This again raises the issue of the right definition of 'research'. This question must be considered on its own merits: the Committee would not want to suggest that the Australia Council should be included in the list of approved research granting bodies purely as an act of convenience, if this means doing violence to the underlying logic of the list. However it does seem illogical that creative works that might be funded by Australia Council grants are counted on the 'research output' side of the index, but the Australia Council grants themselves are not counted on the input side. It may be that some Australia Council funded activities are research properly defined, while others are not. It would be wrong to exclude Australia Council grants as a whole for that reason; administrative procedures should be able to accommodate the distinction.

Recommendation 25

25. The Commonwealth and the Australian Vice-Chancellors' Committee should investigate whether there are any biases in universities' behaviour in supporting research, biases that could be attributed to the 'research quantum' arrangements; if so, whether the biases affect particular disciplines systematically or specifically disadvantage the arts.

Conclusion on arts in university

5.83 The Committee is mindful of the fact that all faculties in universities have their problems. But it does appear that the arts suffer special problems, arising from the negative interactions of several factors detrimental to the status of arts in universities' internal decision-making.

5.84 These are matters of particular concern because of the knock-on effects that go beyond the university sector. The squeeze on teacher training courses, particularly the arts in teacher training courses, seems to be the exact opposite of what is required to break the cycle of neglect in schools. The low status of arts research is a concern because research into the nature and outcomes of arts education is necessary to counter the vaguely held belief throughout the education system that the arts is not a 'proper' subject.

'There are many areas in the arts requiring research. Ongoing research is required into occupational health and safety in the practice of the arts; into child development and how children learn in the arts; into curriculum design; into methods of evaluation, assessment and reporting; into classroom practice; and into arts practice in contemporary society.'
(National Affiliation of Arts Educators, submission 22 p285)

5.85 The Commonwealth has high ambitions for Australia's cultural development, as expressed in the *Creative Nation* cultural policy (October 1994). It would be a pity if these aims are vitiated by the unforeseen side-effects of wider reforms in the university sector.

