



THE UNIVERSITY OF
SYDNEY

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Vice-Chancellor and President

6 May 2022

Professor Steve Chapman
Chair
Higher Education Standards Panel

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Dear Professor Chapman,

Proposed amendments to the Threshold Standards to support research translation

Thank you for the opportunity to provide feedback on the Higher Education Standards Panel's proposed amendment to the Higher Education Standards Framework (Threshold Standards) 2021.

We appreciate that with the proposed amendment to **Standard B1.3** (the 'Australian University' Provider Category) the Panel is responding to a direct request from the Minister for Education and Youth. However, for the four key reasons discussed in our **attached submission**, we urge the Panel to carefully consider whether it is appropriate and necessary to amend the Threshold Standards as it has proposed. Our key issues of concern are:

1. The potential for unintended impacts on provider diversity and student choice.
2. The likelihood that further funds will need to be diverted from students and teaching, to support research-related activities.
3. That the student experience and quality assurance focused Threshold Standards are not an appropriate instrument through which to pursue a broader policy agenda.
4. The need for drafting edits to improve clarity, avoid potential unintended consequences and maximise research translation for societal benefit.

As an alternative approach, we suggest that the Panel consider the following amendment to **Part A, Section 4.1** of the Threshold Standards (the Research Standard):

Add '**d. translation of research findings for societal benefit**'.

We believe that this approach would address the research translation policy objective while decreasing the likelihood of unintended consequences – especially in relation to other key aims for the sector such as efficiency, teaching quality, provider diversity, industry engagement and maximising student choice.

We trust this feedback is helpful and would be happy to discuss any aspect with the Panel.

Yours sincerely,

(Signature removed)

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University of Sydney submission in response to the Higher Education Standards Panel's draft proposed amendment to Part B of the Threshold Standards incorporating reference to research translation, May 2022

Summary

The University of Sydney is committed to research translation, including research commercialisation, for the benefit of Australia and the wider world. We have engaged with the Government's development of its research commercialisation agenda and welcomed the announcement of the University Research Commercialisation Action Plan in February 2022.

We understand the terms of the request for advice the Panel has received from the Minister for Education and Youth and the reasons why the advice has been sought.

We have four key areas of feedback on the Panel's proposed amendment to the Threshold Standards. We raise these to help ensure that the Panel fully considers the potential implications of the proposed amendment for taxpayers, students, providers and not-for-profit industry sectors before finalising its advice to the Minister.

The key issues we raise for the Panel's consideration are:

1. The likely impacts of the proposed amendment on provider diversity, student choice and educational quality.
2. The likely further diversion of funds from students and teaching, to support research-related activities.
3. That the student experience and quality assurance focused Threshold Standards are not an appropriate instrument through which to pursue a broader policy agenda.
4. The need for drafting edits to improve clarity, avoid potential unintended consequences and maximise research translation for societal benefit.

As an alternative to the Panel's proposal, we suggest for consideration an amendment to **Part A, Section 4.1** of the Threshold Standards (the Research Standard) as follows:

'4.1 Research

1. Research and its associated activities are conducted in accordance with a research policy framework that is designed to achieve:
 - a. ethical conduct of research and responsible research practice
 - b. clarification of ownership and management of intellectual property
 - c. successful management of research partnerships
 - d. [translation of research findings for societal benefit](#)
 - ~~d~~.e. clarification of requirements for publication and authorship, and
 - ~~e~~f. resolution of allegations of misconduct in research.'

Adopting this alternative approach would address the research translation policy objective while decreasing the likelihood of unintended consequences. We discuss our concerns and the benefits of our alternative proposal below, posing some questions for consideration by the Panel.

The University of Sydney and funding context

The University of Sydney is [committed to industry and community engagement](#) and has been [independently assessed as successful](#) in translating its research into measurable, real-world impacts, including through commercialisation.

As Panel members are aware, Commonwealth funding for 'nationally competitive' and 'own purpose' agency research falls well short of meeting the full costs of delivering such research – let alone the cost of translating its outcomes for societal benefit. Nevertheless, like many Australian universities, we have for many years invested substantially in these activities and associated [entrepreneurship training](#), [start-up support](#) and [incubator programs](#), and we [are achieving results](#).

Issue 1 Risks to provider diversity, student choice and educational quality

The regulatory framework underpinned by the Threshold Standards exists to protect and enhance Australia's reputation for, and international competitiveness in, higher education. It aims to support excellence, diversity and innovation in the sector. Requiring every Australian university to demonstrate systemic support for research translation, including commercialisation, risks diminishing the diversity of institutions registered in this provider category. It should remain possible, for example, for providers focused on meeting the skills and workforce needs of not-for-profit industry sectors (for example, governmental and community-based health and other social services) to gain registration or stay registered under the Australian University category.

*Has the Panel considered fully how teaching-focused providers concentrated on serving the needs of not-for-profit industry sectors would fare, registration or registration-wise, if its proposed research translation standard is added to **Part B** of the Threshold Standards?*

Issue 2 Likely further diversion of funds from students and teaching to research

In our assessment it will not be difficult for most existing universities to satisfy the proposed new research translation standard. However, this new standard will apply in addition to the new research scale and quality criteria that were added to the 'Australian University' provider category (**See Criteria B1.3.6.a, B1.3.16. and B1.3.17.a**) following the [Review of the Higher Education Provider Category Standards](#). Meeting and sustaining the proposed new standard on top of the new research criteria may prove challenging for some universities currently registered under this category. In particular, it will negatively impact those institutions that earn relatively little external research income and therefore tend to rely more heavily on revenues from other sources, including student fees, to support their research and related activities.

Here we note that core Commonwealth funding provided for Australian public universities ('Base Funding') linked to coursework student enrolments under the Commonwealth Grants Scheme (CGS) and Research Block Grant (RBG) programs) has never included components intended specifically to cover the costs of research translation, including commercialisation. Universities that have invested resources in research translation have covered these costs from discretionary revenues – in the same way that they have met the growing gap between externally funded research projects and the full costs of delivering such research.

Moreover, following the *Job-Ready Graduate* (JRG) funding changes of 2021, university Base Funding effectively no longer recognises a 'base research' component. The JRG funding rates have been set with reference to the results of a Deloitte study of universities' teaching and scholarship costs only, while Commonwealth-supported places are now allocated to non-university higher education providers (which conduct no research) on the same basis as universities.

Has the Panel considered fully the implications of its proposed amendment for institutions that receive limited external research income? Is it appropriate for all universities to be required to divert income from student fees and other discretionary sources to ensure that they satisfy the proposed new research translation standard, on top of the new research scale and quality standards?

Issue 3 Inappropriate legislative instrument through which to pursue this policy agenda

The Threshold Standards serve two foundational regulatory and quality assurance purposes – centred around educational quality and the student experience. **Part A** sets the minimum acceptable requirements for the provision of higher education awards in or from Australia that must be met by 'Institutes of Higher Education' registered under the TEQSA Act. **Part B** sets the additional criteria that a provider must meet to be registered by TEQSA under the 'University College', 'Australian University' or 'Overseas University' provider categories, and determines which providers are self-accrediting.

Alongside the TEQSA Act and the ESOS Act and framework, the Threshold Standards exist primarily to protect the interests of students considering or undertaking higher education awards delivered in or from Australia. The university research translation agenda is being pursued through numerous other measures linked to funding, research assessment, IP frameworks and reporting requirements such as [mission-based compacts](#) and the [National Priorities and Industry Linkage Fund](#) (NPILF). These and other instruments are appropriate and effective mechanisms by which to ensure that universities prioritise research translation. The proposed amendment to **Part B** of the Threshold Standards is

arguably not necessary to help universities to demonstrate their commitments to research translation, including commercialisation.

Has the Panel considered fully whether the proposed amendment is appropriate for inclusion in the Threshold Standards and necessary to help achieve university research translation policy objectives?

Issue 4 Terminology and drafting issues

The proposed wording of new standard B1.3.14 is:

“demonstrates systemic support and identifies opportunities for translation of research findings to measurable, real-world impacts, including commercialisation.”

We raise three concerns with the amendment as drafted. First, the text is silent on the policy objective of translating the findings of publicly funded research to achieve positive impacts that benefit Australia and the wider world. Second, the term ‘real-world impacts’ carries a negative connotation and may be read as implying that some university research lacks value or is wasteful. We also believe that this phrase lacks precision and is therefore unhelpful in a legislative instrument. If the term is to be included, a clear supporting definition will be required. Otherwise, the burden of interpretation will fall too heavily on TEQSA as regulator, as well as providers. In this regard, the definitions for ‘university-industry engagement’ and ‘industry’ adopted by the Department of Education, Skills and Employment in its guidance documents for the [NPILF](#) and to [grow industry internships for PhD students](#) may be useful reference points for the Panel. Third, commercialisation is but one method by which university research is translated for societal benefit. Research translation occurs through diverse, often non-linear and serendipitous pathways. In many vital but resource-constrained industry sectors a key driver for research translation is not commercial gain, but the maximisation of positive outcomes for the smallest possible additional cost. Examples include research partnerships with government agencies; public health and hospital services; not-for-profit aged care, disability care and child care services; schools and vocational education and training providers.

Has the Panel considered fully the potential for its proposed amendment to have unintended consequences by preferencing one form of research translation and certain industry sectors over others? What is the ‘real-world’ and where does it begin and end in a university-industry engagement context, given the diversity of industry sectors where research translation occurs?

Proposed alternative amendment

For these reasons, as an alternative to the Panel’s proposal, we suggest for the Panel’s consideration a minor amendment to **Part A, Section 4** of the Threshold Standards (the ‘Research and Research Training’ standard) as follows:

‘4.1 Research

1. Research and its associated activities are conducted in accordance with a research policy framework that is designed to achieve:
 - a. ethical conduct of research and responsible research practice
 - b. clarification of ownership and management of intellectual property
 - c. successful management of research partnerships
 - d. translation of research findings for societal benefit
 - e. clarification of requirements for publication and authorship, and
 - f. resolution of allegations of misconduct in research.’

This proposal ensures that higher education providers are required to demonstrate organisational structures which support research translation, while allowing for diversity in fulfilling the policy objective. It places a broader emphasis on the public good purpose of research translation and allows for translation to vary depending on the discipline, industry sector and the type of research involved. It therefore removes the potential risk of teaching-focused providers serving the public and community-not-for profit sectors being unable to register as an ‘Australian University’ or losing their registration on the grounds that they cannot demonstrate systemic support for research commercialisation.

Adopting this alternative approach would address the research translation policy objective while decreasing the likelihood of unintended consequences – especially in relation to other key policy objectives for the sector such as the efficient use of public funds, teaching quality, provider diversity, competition and maximising student choice.