



Professor Dawn Freshwater
Senior Deputy Vice-Chancellor and Registrar
The University of Western Australia

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Dear Dawn,

Feedback Concerning Proposed Renewal

I thank you for allowing me the opportunity to respond to the proposal put forward by the University Executive for renewing The University of Western Australia.

I have a specific question that I would like addressed because it is a fundamental premise in the Vice Chancellor's very useful review document (*Securing Success*) that preceded the current recommendations. My question concerns the level of optimum subsidy to be paid from teaching to research in a University as outlined by the Vice Chancellor:

Because research is a key driver of national and international reputation, universities seek to provide additional sources of funding for research, and this requires subsidization from the other primary source of revenue, teaching. (Securing Success, p.2: 2015)

I accept the Vice Chancellor's analysis that this practice is widespread if not ubiquitous amongst research-oriented Australian universities. Indeed, it has been widely reported on in Higher Education news outlets. I also accept that there may be a case for limited cross-subsidy of this kind.

My question, though, is what is the best level for this subsidy and how is this determined and monitored? To this end, what are the econometric indicia used by UWA to set this subsidy and what are the measures of its benefit and costs?

On this latter point, it follows without question that money is being removed from teaching which would otherwise be used to fund it. A loss of teaching quality from reduced funds is as reasonable to infer as an increase in research quality from increased funds. But, how are these measured in a way that would allow us to ensure the subsidy is working? In short, how do we ensure that its funded benefits exceed its de-funded detriments?

Is it possible, for instance, to determine whether an increase in 5 places in the ARWU is, hypothetically, worth more to the University than a 5% decrease in domestic market-share caused by reducing funds to that "source of revenue"? This question is an important one, I think, to consider in terms of the future of the University as it has significant implications in the strategic pursuit of competing goals.

Yours sincerely,

Dr Tony Hughes-d'Aeth

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