

Institutional Performance Indicators and a Two-Speed Economy

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An increased emphasis on monitoring, evaluating and quantifying institutional performance across a range of measures has been a feature of the Australian higher education landscape in recent years. In addition to an increase in the quantity of reporting to various agencies, the nature of this reporting has also substantially changed. The planned publication of a range of quantitative institutional performance indicators via the My University website to assist students with enrolment decisions and a greater emphasis on performance-based funding for research and teaching are two examples of how institutional reporting is progressively changing from a compliance driven activity with a limited audience to an activity that provides information on a range of issues to diverse audiences in Australia and overseas. In coming years, the interpretation of institutional performance data by such audiences will impact upon student enrolments, research and teaching income, and institutional brand and reputation to an extent previously unseen in the Australian higher education sector.

However, despite this rapidly changing industry environment, many parts of the Australian higher education sector have a limited understanding of the key issues beyond institutional performance that drive or have a significant impact upon higher education performance indicators. The relationship between institutions and their key stakeholders, the educational needs of their communities and a range of economic factors all impact to varying degrees on quantitative measures of institutional performance – in several cases to the extent where it can be argued that these external drivers have a greater impact on measures of institutional performance than the institution itself.

This paper examines the impact of external drivers or influences on a number of performance indicators that are either in use or planned for use by the Department of Education, Employment and Workplace Relations and Department of Industry, Innovation, Science, Research and Tertiary Education for monitoring and evaluating institutional performance. It particularly demonstrates the impact of economic factors on these indicators and how the emergence of a two-speed economy in Australia in recent years creates significant issues in comparing or benchmarking institutional performance at a national level. It further highlights the dynamism of many of the external factors influencing institutional performance indicators, and the difficulties in planning to meet institutional performance targets that are impacted by rapidly changing national and regional economic environments.