



Griffith University

**Response to
Sustainable Research Excellence
(SRE) in Universities
Issues Paper**

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Sustainable Research Excellence (SRE) in Universities

Issues Paper: Discussion Questions

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Please confine your answers to 300 words per question. Further information may be provided as attachments to this document if desired.

1. Should there be two thresholds for the 80% of SRE funding? Should there be fewer?

Griffith University strongly supports two thresholds.

Threshold 1 (incentive funding) ensures that many less research-intensive universities, which undertake some competitive research, will receive higher indirect cost support than under the current RIBG arrangements. This additional support is important to acknowledge the proportionately higher rate of fixed costs borne by these smaller universities which cannot achieve economies of scale. The 'incentive' is therefore present for these universities to participate strategically and selectively in national competitive grant rounds which is consistent with other Government policy instruments such as mission-based compacts.

Threshold 2 (excellence funding) provides a much larger pool for universities which are 'research active' across a broader range of areas. Griffith would not support any case for breaking this pool into two in order to discriminate between the 'research active' and the 'research intensive' universities. This would be a retrograde action given most of the universities that would be in receipt of Threshold 2 funding have pockets of excellence that are internationally competitive. For Australia to maintain a 'world class' higher education system and to continue attracting high quality international students it needs universities throughout the system to engage in research-led teaching and be recognised as such.

The proposed SRE structure will also hopefully avoid one problem that surfaced in the UK when 'cliff-edge' RAE funding contributed to departmental closures in otherwise excellent universities. If this were repeated in Australia then regional and multi-campus universities would suffer most.

2. Should access to Threshold 1 (Incentive) funding be based on the relative share for each university of the first \$2.5 million of competitive grant income? If not, should a different threshold be set if so, what should this be?

Yes.

The Threshold 1 (incentive) funding level of \$2.5 million is a fair compromise given there are 11 universities (HERDC 2007 ACG income) in receipt of income less than \$2.5 million but none in the range of \$2.5 million to \$5.0 million. Setting the threshold any higher would have little effect on the funding model and it would create less 'incentive' for the smaller universities to grow their research strategically to participate in the 'excellence' pool of funding.

3. Should access to Threshold 2 (Excellence) funding be based on exceeding \$2.5 million in competitive grant income? If not, should a different threshold be set and if so, what should this be?

Yes.

There might be a case for raising Threshold 2 to \$5.0 million but this should not occur unless the 'incentive' pool is also increased to around 25% of the total SRE pool as a compensatory measure. This alternative model would have the effect of increasing the indirect cost support for more small and medium-sized universities than under the proposed model. A threshold of \$5.0 would however make it very difficult for the smaller universities to aspire to participation in the 'Excellence' pool.

On balance it seems reasonable that the threshold for Excellence funding should be left at \$2.5 million (unindexed) in the first instance and that this be reviewed once the Government and the sector has a better awareness of the likely combined impact of Transparent Costing and ERA.

4. Do these cost categories provide a suitable means for grouping indirect costs?

Yes, the proposed cost categories are broad enough to allow for all reasonable indirect costs however more explicit mention should be made of electronic infrastructure and research data support. These cost categories are the result of the Allen Consulting investigations into indirect costs internationally and therefore account for best practice in the UK, USA and elsewhere.

On the other hand, the IRU submission asks the question of whether field of research would form a more appropriate basis for grouping indirect costs. Griffith University is open to such a suggestion but suggests that it should be tested before adoption to determine financial impact relative to effort.

It is Griffith's view that the Australian university sector on the whole wishes to observe the fundamental principles of accuracy and consistency in reporting while simultaneously satisfying the 'minimum requirement' objective. For this reason we would argue strongly for a simple approach that provides 'fit for purpose' data. If the IRU proposal were found to be acceptable then Griffith would favour a light-touch approach where fields of research might be classified as high/medium or low cost. We feel there is little need for a large number of separate field-related indirect costs into 22 two-digit ANZSRC codes or even the eight ERA cluster categories.

5. Are the identified types of allowable indirect costs appropriate? If not, what other indirect costs should be included? What indirect costs should be excluded?

Griffith supports the inclusion of the identified allowable indirect costs and requests that wherever possible these be based on existing and readily available financial data rather than requiring significant additional effort.

Some might question the inclusion of depreciation on buildings and equipment; given not all universities choose to depreciate their capital assets. Others might question borrowing costs for new building as being outside of scope. Griffith strongly argues in favour of retaining these indirect costs to reflect the strategic intent of universities that are growing rapidly.

Griffith has incurred major capital expenditure in the last 5-10 years and will continue to do so. Much of this has been on research-related facilities in support of our growing profile in medicine, dentistry and oral health as well as major new research facilities. The cost of entry into these space and equipment intensive fields of research is considerable and related borrowing costs should be included.

Exclusions are well covered in the Allen Consulting documentation and include commercial facilities such as student residences, bookshops, publishing houses, and sporting facilities. Other exclusions should also be expenditure related to earning income from investments such as property portfolios and fees paid to consultants to support identification of indirect costs. Australia does not want to see a new industry grow around this scheme and therefore universities should not be provided with incentives to engage consultants to assist with what should be a 'minimum requirement' exercise.

6. Are staff surveys an appropriate means of attributing staff time? If not, what other approaches might be adopted that would achieve robust results whilst minimising the impost on individuals involved?

The concept of staff surveys has not been proven, nor disproven as an approach to attribution of staff time in Australia. At this stage it might be wise to consider one system-wide two week survey which is then locked-in for at least 3 years. The Allen Consulting staff survey was handled well given the timing and resource constraints but showed that much thought is required if a consistent approach is to be followed.

Naturally the staff activity survey should seek to minimise the burden on academic staff but for it to work properly there needs to be close to full participation rather than mainly Chief Investigators as was the case in the trial survey.

Consistency in the survey methodology is the major hurdle if this approach is to work. Safeguards would need to be in place to eliminate differences in practices of staff attribution (e.g. between academic and general).

7. How frequently and over what timeframes should staff time allocation be conducted?

As previously indicated the staff survey should be carried out only every 3 years and cover a two week time period ideally covering one 'teaching' week and one 'non-teaching' week.

One option for consideration is whether the survey 'window' should be for an entire semester while giving each university the flexibility to administer the survey during a two week period of its choice during that period.

Another alternative might be for a compulsory national survey every 4-5 years but with individual institutions offered the option of re-calculating internally more frequently, with the right to re-negotiate during Compact discussions if their multipliers or other factors have changed significantly.

8. Is the use of FTE drivers adequate for all indirect costs? If not, what other indirect cost drivers might be adopted and in what circumstances? Would these produce more accurate results?

FTE based drivers seem most appropriate in the Australian context. Acceptable FTE drivers might be: Academic effort on ACGs relative to total academic FTE; and/or Academic effort on ACGs relative to total staff FTE.

Evidence provided by Allen Consulting, and by universities in Australia which have exposure to indirect costs of research models, suggests that FTE drivers and space are the main drivers used overseas and that these do not produce markedly different results.

Griffith broadly supports a simplified system based on FTE drivers but does not wish to rule out space as a driver for some cost categories such as building depreciation if it produces greater accuracy through no additional effort. If in the course of modelling it is found that there is no apparent advantage in using space over FTE for space-related cost categories then we should revert to using one driver – FTE.

9. Is the number of weighted publications an adequate proxy measure of research quality until the implementation of ERA outcomes has been tested?

This proposal is strongly supported.

Weighted publications provide a good indicator of quality and excellence however if this is to serve as a proxy for ERA then the best results might be obtained from inclusion of only books, book chapters and refereed journal articles

10. Will the new formula give sufficient emphasis to end-user research?

One problem with any artificial separation of 'basic' and 'applied' research is that it fails to recognise that research can be highly beneficial to end-users whether it is funded by them, done in collaboration with them, or where no direct connection exists. As an example, many NHMRC funded projects may result in huge benefits to clinicians, hospitals and patients, though few or even none have been directly involved in the research, and have certainly not funded it. There is also a strong presumption against basic research (e.g. quantum physics) which time and again has been shown to have profoundly beneficial outcomes for society down the line.

Griffith's position is that research supported by any funding stream should have potential end-user benefits over the short and/or long term. Sufficient emphasis is currently given to end-user research and it should not be the role of JRE to fund technology transfer. In addition proper support for the indirect costs of basic and applied research will encourage universities, over time, to be less protective of IP and to transfer knowledge more freely.

11. Are there other strategies that should be adopted to encourage and support collaborative research activities between universities, industry and end-users, beyond those supported by competitive grants?

Given its low-tech SME base, Australian industry and end-users often lack the funds or other resources (including time) to undertake collaborative research with universities. Government could assist by providing more financial incentives to SMEs as well as larger enterprises to undertake university-linked R&D, greater R&D budgets for government agencies, and larger innovation grants to non-government organisations. It should also be recognised that end-users may not have the appetite for research which is not directly applied to short term gain - another reason for ensuring that more strategic research focussed on longer-term outcomes, with possibly higher risk of failure, is adequately supported.

12. Should JRE have the same objectives as IGS i.e. to support the general fabric of universities' research and research training?

Yes, with JRE to be based on Category 2-4 income (60%), HDR load (30%) and publications (10%).

Griffith University supports the objectives of the IGS and endorses the proposal for JRE to adopt these same principles, as set in the Higher Education Support Act 2003:

"The purpose of IGS is to maintain and strengthen Australia's knowledge base and research capabilities by developing an effective research and research training system in the higher education sector.

Specifically, the IGS aims to:

Support the general fabric of the research and research training activities of HEPs;

Allow HEPs to manage their own research activities and set their own priorities;

Assist HEPs to respond flexibly to their research environment in accordance with their own strategies; and

Enhance support for areas of research strength."

Griffith wholeheartedly endorses these objectives to underpin JRE and suggests that the principles shown above, especially flexibility in the use of funds, also apply to the 'incentive' and 'excellence' components of SRE.

13. Further comments or suggestions on the SRE model.

Griffith wishes to acknowledge the support of the Minister for securing on behalf of the university sector additional funding through the SRE initiative to cover the indirect costs of competitive grant research. By doing so, the JRE initiative also channels support for additional research with end-users in government, industry and in the community. The policy balance is good however we strongly urge that universities be given flexibility for SRE funds to be expended against a range of research in keeping with the strategic plan of each university.

Acknowledgement should also be forthcoming for officials in the Research Funding and Policy Branch of DIISR who have modelled possible SRE outcomes to produce the right mix of ingredients that make up the SRE.

The results of the Allen Consulting project and observations from overseas suggest that all universities incur indirect costs associated with competitive grants that easily exceed 50 cents in the dollar. In view of the fact that SRE funding is unlikely to meet or exceed these levels for some time, we question how much effort should be devoted to accounting precision associated with Transparent Costing. We should be wary of turning that exercise into a complex and resource intensive undertaking for no return to the Government or the university sector.

One criticism of the model is that it is fairly complex and formulaic, and that several components such as ERA outcomes and TC have to be progressed considerably before uptake in the SRE model. In some respects this seems at odds with the mission-based compacts which entail a more negotiated approach. It is to be hoped that no university, as a result of this formulaic approach, has its research and research training profile frozen at a point in time as a result of historical research outcomes or performance targets. Griffith seeks assurances that it will still retain the freedom in the research compacts to support both existing strengths and identified future ones that might not necessarily be deemed 'excellent' through the ERA process but where we foresee potential.