Pro-Vice-Chancellor (Research & Development)
Professor of Cultural Studies
Lesley Johnson

PO Box 123, Broadway NSW 2007
Tel: + 61 2 9514 1257 Fax: + 61 2 9514 1772
Email: Lesley.Johnson@uts.edu.au

University of Technology, Sydney

Submission from UTS to the Reference Group evaluating the Knowledge and Innovation Reforms

UTS is pleased to make this submission to the evaluation of the Knowledge and Innovation (K&I) reforms. We will not seek to answer all the consultation questions posed in Issues Paper for this evaluation but instead focus on those we believe to be most important in this review.

1. Evaluation Context - Funding principles and implementation through performance-based funding

UTS believes that the funding principles for research identified for the K&I reforms are still correct but have not necessarily been implemented successfully as yet. We also believe that some of the alternatives currently being canvassed by particular groups or agencies have the potential to distort these principles further. We discuss these principles and their implementation below focusing particularly on excellence, institutional autonomy and responsiveness, and student choice, but in the process also address the other principles:

Excellence: This term is in danger of being evacuated of all meaning. There is no one way of measuring or determining excellence. Peer review is one way of seeking to determine excellence within the framework of research conducted for its own sake or to advance the disciplines. However, it should be noted that the capacity to deliver an effective peer review system in Australia, even when using international referees, is severely limited, as demonstrated by the difficulties the ARC has in providing high quality and sufficient numbers of reports on all its project applications.

But peer review does not provide the best measure of excellence for research that is more outcomes-oriented. User feedback mechanisms are more appropriate in this instance: did the research deliver for key stakeholders, demonstrated, for example, by measures such as repeat business or length of research partnerships. Universities are being encouraged to diversify, to pursue and develop distinctive strengths, and research funding mechanisms need to be consistent with this.

UTS would like to see a system of assessment of the quality of research that recognises the diversity of measures of excellence. We believe it important to retain the current balance in government funding between competitive project funding and performance-based block funding but believe that the current mechanisms for delivering on the latter needs to be reviewed as much to address the issue of the perception of quality and accountability as to address the issue of quality or excellence itself.

Providing an increased proportion of government research funds to the ARC to address the issue of excellence and accountability will not gain the confidence of the researchers or of the Australian community. Nor will it recognise and encourage the diversity of excellence (or 'varieties of excellence') needed in research to deliver on Australia's social, economic and cultural goals. Relations between universities and the ARC have never been so poor in our view. Despite increases within the ARC in the funds used for operational purposes, there has been a decline in efficiency, responsiveness and connectedness with their key stakeholders – universities and their researchers. But as indicated above they also utilise a mechanism to assess excellence that does not necessarily mean a great deal to the wider community who want to know how this research will make a difference to society, deliver on the key social and economic aspirations of the Australian community.

Any new mechanisms to distribute performance-based block funding should take these aspirations into account in measuring the quality of Australian universities research. If this is to be some sort of Research Assessment Exercise, modified for Australian conditions, then all types of research should be valued – discovery-based research, outcomes-oriented research, as well as the more short term applied research undertaken through contracts or government tendering processes.

Institutional autonomy and responsiveness: We have in part addressed this principle above in arguing that the K&I system needs to encourage and support different kinds of excellence. But we wish to add that we believe that the current system continues to support historical advantage rather than encouraging and supporting institutions to develop areas of research excellence consistent with their missions. The capacity for institutions to significantly change their standing and hence performance-based block funding is severely limited in Australia by the funding mechanisms for RTS and IGS.

Student choice: UTS believes the RTS specifically works against student choice. Under the RTS scheme a university's supply of places is linked to its performance on a number of measures. No reference is made to student demand as an indicator of quality of provision. This distorts the market for research education in the sense that student choice is limited (especially given that scholarships are also linked to the formula). Students are not necessarily able to take up positions in the university and research group of their choice but have to go where the student places and scholarships are available.

UTS recommends that modified RTS inputs be used for the allocation of RTS places, supplemented by other data from RRTMRs and student demand statistics as a basis for annual profile negotiations. In this way an informed judgement is made about a university's capacity to provide quality research education. Also, pockets of excellence can be identified and places allocated accordingly.

Other issues for performance based funding

We do not wish to comment on all the issues posed in the Issues Paper on this matter for the sake of keeping our submission as short as possible, but do wish to register our views on a number of matters raised:

- The double weighting for national competitive grants funds should NOT be restored. This would work against the principle of varieties of excellence that we have advocated above and the K&I reforms went some way to address

- Granting councils should receive increased funds to allow them to provide adequate budgets to researchers to undertake their research but this should be through new monies in the system not at the expense of university funding
- Funding agencies should cease the practice (often not openly acknowledged) of leveraging funds out of universities as this threatens the viability of teaching programs and disadvantages the newer universities that simply do not have the reserves to take part in such schemes (for example, it was impossible for UTS to participate in the MNRF scheme because of the high price of buying into these bids)
- The 5% cap should be retained for the IGS and RTS to retain some stability in the system as a whole and hence to allow universities to plan their activities effectively

2. Research Training Scheme

General Issues with the RTS

The Research Training Scheme sets up a number of problems that are integral to the way it operates. It promotes a range of strategic and tactical moves at different levels in the sector, which, arguably, work against the interests of high quality research degrees and research education. Under the scheme universities can improve their competitive position in one of four ways:

1. Reduce the time to complete,
2. Improve retention to completion,
3. Increase the number of non-RTS completions (ie growth in non RTS places)
4. Increase research income and publications

Potentially, some of the above may have a beneficial impact on research education. However, key features of the RTS also have the potential (and likelihood) to produce adverse outcomes. Outlined below are some problems which emerge from different aspects of the RTS.

Reduced funding period and the emphasis on early completions

1. Institutions, departments and/ or individual supervisors are less likely to encourage high risk students (older, part time, disadvantaged, non-traditional entry etc) and high risk projects (eg projects where the data depend on external contingencies or where the data are collected over a long period of time). To the extent that innovation is built on risk, the research will not be innovative. Access and participation rates for 'risky' students can also be expected to decline.

2. The development of generic skills will take second place to 'on time' completions, thus working against industry expectations relating to desired graduate attributes.

3. The need for non-RTS completions to improve a university's competitive position means that research student numbers will grow through overenrolment or growth in local and overseas full fee paying places. In many instances 'fee waivers' are applied to attract high quality students. This additional load means that the funding

is diluted, with reduced WEFTSU values for research enrolments, placing a burden on the resources of universities.

4. The examination process may be compromised as universities attempt to reduce the length of candidature (eg this comes from the need to reduce the lag time between a separation and a completion). Common ways in which the examination process can be compromised are the reduction in the number of required examiners, and the use of internal processes for dealing with recommendations for re-examination.

The input measures used for performance-based funding

1. Using absolute research income as a measure of excellence clearly favours areas of 'high cost' research because that is where the bulk of income is directed. A better approach to determining 'excellence' is to weight low cost research income (say, by a factor of 2.35, which mirrors the allocation mechanism for HC and LC HDR). Resources would then be redirected away from relatively poor performing ' high cost' areas.

2. An alternative to '1' above is to place more emphasis on outputs (noting that productivity is normally measured as a ratio of outputs to inputs)

3. Notwithstanding the above there is no clear rationale for the way in which HC and LC weighting is derived for the purposes of allocating funds.

Complexity and anomalies in the RTS formula

1. There is no alignment of the 'time of measurement' for separations and completions. This leads to anomalous situations eg where a university has many separations due to a large number of completions in a particular period, but where the completions are not reported until a later period. This produces perturbances in the system, for example in the 2003 RTS allocations there is huge variability in the performance of universities from Semester 1 to Semester 2: using the 'funds won' as a percentage of 'funds returned' this variability is as much as 251% (UniSA).

2. The formula adopts calculations, which are too complex, and its operation and impact are not well understood by DEST officials or the sector.

Emphasis on the supply of places rather than demand

As noted in our section 1 above, under the RTS scheme a university's supply of places is linked to its performance on a number of measures. No reference is made to student demand as an indicator of quality of provision.

Comments on Key Consultation Questions: Research Training Scheme

- Has the RTS succeeded in encouraging a focus on the quality of student supervision? It encourages such a focus but reduces the capacity for improvement by reducing 'research training' to 'supervision' (rather than encouraging the broader concept of research education) and by encouraging the dissipation of resources into non-RTS enrolments.

- Has the allocation method had the desired effect of placing research students into research environments that provide the best research training and research infrastructure support? Universities are concentrating their research efforts for reasons other than the RTS – the research student population will no doubt move into concentrations without the RTS.

- Has the RTS succeeded in concentrating research training in areas of excellence? See above.

- Have the funding arrangements provoked a shift in students between masters and doctorates? Certainly students are being encouraged to enrol in doctorates as opposed to Masters.

- Should the time allowed for a full-time student undertaking a doctorate be increased from four to five years? No, but the residual funds from 'early completions' should be retained by the university for redistribution.

- Has the use of similar formulae by institutions to internally allocate funding produced any undesirable side effects? See general comments above.

- Has there been any impact on part-time and mature age students? Yes – the RTS encourages early completions and high turnover – both of which are incompatible with mature age/PT student enrolments.

- Has there been any impact on granting leave of absence, suspending candidature or allowing students to change from full-time to part-time study? Yes – for the reasons outlined above.

- With regard to the formula for the RTS:

    - Is it too complex? Yes – it is not well understood even by DEST officials.

    - Should the separations pool mechanism be retained? No – but this is tantamount to replacing the RTS scheme. If it is retained then the definition of a separation needs to change. For example a separation can be defined as an 'expired funding period'

    - Should funding adjustments continue to be made on a semester basis? It should be yearly to reduce variation is 'performance'

    - What changes, if any, should be made to the RTS formula itself? (see recommendation 2)

- Should international research student completions be treated equally as local research student completions? They should count as completions, but there should be separate reporting of retention rates in the RRTMR

Recommendations for the RTS

1. As indicated in section 1, UTS believes that modified RTS inputs should be used to allocate RTS places, supplemented by other data from the RRTMR and student demand statistics as a basis for annual profile negotiations. In this way an informed judgement is made about a university's capacity to provide quality research education. Also, pockets of excellence can be identified and places allocated accordingly.

2. If the RTS is retained then some changes are recommended:

    - universities should be able to carry forward residual funds for early completers (this functions as a reward and an incentive for early completions). The carry forward funds could be used to support longer research projects and/or disadvantaged students or be redeployed for new students
    - if the above point is not accepted then at least a candidature should not be regarded as a separation while under examination and under time.
    - research income needs to be weighted for LC and HC research – this is necessary to better identify 'research excellence'
    - a clear rationale needs to be developed for HC and LC funding differentials and/or all students could be funded for research supervision only with separate infrastructure funding for HC areas.
    - the length of RTS and APA funding should be the same.
    - consideration should be given to the unit of allocation being smaller than a university eg a department (this would need to be accompanied by a separate research assessment exercise)
    - fee waived and international students should continue to be regarded as completions but there needs to be an audit (or a mechanism) to ensure that RTS funds are not been diluted.

3. Institutional Grants Scheme (IGS)

The IGS assists universities to pursue their own strategic goals in research and hence is crucial in implementing the principles of institutional flexibility and autonomy. UTS uses a significant percentage of its IGS funds to support and encourage the development of the areas of research strength we have identified, as well to assist early career researchers.

4. Research Infrastructure Block Grant and related issues

UTS does not believe the use of different formulaes for IGS and RIBG is confusing. The use of the different formulae assists us in making the point to researchers that they must build infrastructure costs into their budgets for projects funded through sources other than national competitive granting agencies.

RIBG funds should not be directly attached to competitive grants as this would encourage short term thinking by researchers and limit the capacity of the university to be strategic about our infrastructure requirements and encourage our researchers to collaborate over their infrastructure needs.

5. Research and Research Training Management Reports

UTS does not believe that the requirement to provide these reports has encouraged a more strategic approach to research. We believe most universities were already well organised in this respect. The problem for us now is that these reports do not allow universities to report in such a way that is consistent with their particular planning cycles.

However, we do believe that these reports could be used more effectively to ask universities to report on how they make the most effective, strategic use of performance-based block funding.

Contact details for this submission
Professor Lesley Johnson
Pro-Vice-Chancellor (Research and Development)
University of Technology, Sydney
Email: Lesley.Johnson@uts.edu.au
Phone: 02 9514 1257