

La Trobe University

Evaluation of *Knowledge and Innovations Reforms*

Submission

Evaluation Context

The five principles for the funding of higher education research and research training (excellence, institutional autonomy and responsiveness, student choice, linkage and collaboration, transparency, contestability and accountability) are endorsed.

It is considered that these five principles adequately address the achievement of the objectives of *Knowledge and Innovation*.

Overarching Issues for Performance-based Funding

The major new performance-based funding reform is the Research Training Scheme (RTS). The Institutional Grants Scheme (IGS) is a combination of the Research Quantum (RQ) and the Australian Research Council (ARC) Small Grants Scheme (SGS), both of which were performance-based. The Research Infrastructure Block Grants (RIBG) has always been based upon performance in the National Competitive Grants (NCG).

The RQ, SGS (and their successor IGS) and RIBG have provided the universities with flexibility in supporting their individual research missions. These missions have been directed at the conduct of high quality research and research training in the context of Research Management Plans (introduced in 1992) and more recently Research and Research Training Management Plans (RRTMP).

The RTS, introduced in 2002, has the potential to strengthen the capacity of the universities to achieve the goals outlined in *Knowledge and Innovation*, but the implementation of the scheme is seriously flawed.

The role given to external research earnings in the RTS formula disadvantages areas of research with lower research costs and so lower potential research earning in national competitive grants and contract research. This has the capacity to damage areas of research strength in the Humanities.

The Federation Fellowships introduced to attract leading scientists back to Australia and to encourage outstanding young scientists to remain in Australia have had an impact on the attraction and retention of high-performing research staff. But the numbers are small.

The quality of the research infrastructure, the availability of funding and the workload are critical to factors in the attraction and retention of high-performing research staff. Workloads in teaching and administration have risen dramatically in recent years and this has impacted on the capacity of academic staff to undertake research.

The ***Knowledge and Innovation*** reforms provide for additional funding to the ARC, but this has yet to flow to the research sector. Nevertheless, it is felt that at the level of funding that will be available through the ARC attracting grant will remain highly competitive.

As noted above the most significant ***Knowledge and Innovation*** reform (RTS) was only introduced in 2002. As implemented it has led to some institutions suffering a drop in RTS funding in spite of improving their performance in the RTS formula. This is not a desirable outcome.

Without additional funds in the IGS and RTS the improvement of an institution's funding position can only be at the expense of other institutions.

Adopting strategies to improve performance in the funding formulae (which are heavily dependent upon research income) would benefit an institution, but care has to be taken to avoid damaging those areas of research that do not require significant levels of direct funding, eg Humanities.

Collaborations leading to concentration of research effort have occurred through such schemes as the ARC Linkage Infrastructure, Equipment and Facilities (LIEF) scheme. Again it is early days to assess what impact the ***Knowledge and Innovation*** reforms have had.

Furthermore, there are significant further changes in the recent proposed reforms¹ that would significantly impact of university funding and the availability of RTS places that it is likely to be some time before the impact of the reforms can be fully assessed.

The introduction of RRTMPs and the requirement to report against them has encouraged universities to review their research management policies. It has encouraged universities to identify research strengths and direct resources to support them. The majority of universities are conducting international level research activity in these areas of research strength.

The ***Knowledge and Innovation*** reforms are encouraging stronger links between universities and industry and the Issues paper draws attention to the increase in the proportion of Australian Higher Education Expenditure financed by industry. The reforms, through the RTS, are leading to reviews of supervision and the improvement of completion times.

The formulae driving the block-funding allocations are *per se* straightforward. Unfortunately, there has not always been the degree of openness in their application such that the sector could assess the process. There is also the vexed issue of audit and verification of data.

Double weighting for national competitive grants is supported as this would provide some improvement in recognition of such areas as the Humanities where the funding levels are modest and almost entirely drawn from the ARC.

¹ Our Universities, Backing Australia's Future, DEST, May 2003

The question of inclusion of publications in the RTS and IGS formula is a vexed issue. Publications are a major measure of research performance and to remove this element, modest as it is, from the formulae would disadvantage the non-laboratory research areas. Removal of publications is not supported, but the inclusion of a quality measure is. Citation rates (or is it journal impact measures that are being referred to?) would have to be carefully assessed, particularly for the humanities and social sciences.

To measure performance in block funding below the university-wide level would be very intrusive in the research management of the institution. Furthermore, if funding were made directly at this level it would limit the capacity of the institution to set an overall strategic direction for its research.

It is doubted that adopting a Research Assessment Exercise (RAE) modelled on the UK mechanism would lead to a greatly different distribution of the block-grant funding. The present formula for the RTS, IGS and RIBG reflect research strength. In the case of La Trobe University the areas of research strength have been identified with 81.3% of research funding, 57.0% of completions, 60.0% of research higher degree load and 58.2% of publications, over the three years 2000 – 2002².

If the purpose of the RAE is to go beyond the distribution of funds, then it needs to be quite clear what the objectives are. If it is to be a measure of the quality of research being conducted its role would need to be distinguished from that of the Quality Review being undertaken by the Australian Universities Quality Agency (AQUA). It would be argued that if research quality is to be measured that this could be undertaken by AQUA rather than set up another review body.

Directing funds away from the block grants for distribution through the ARC and NHMRC programs would severely limit the capacity for universities to provide institution-wide infrastructure. Furthermore, it would be inappropriate to fund research training in this way.

The incentives for universities to collaborate with outside bodies are already very strong through the LIEF, CRC and Systemic Infrastructure programs. Already the level of funding contribution expected from the university in these programs is severely restricting the flexibility to support other research programs, particularly those that are emerging.

The potential for significant fluctuations in performance in the block-funding formulae is off-set by using two year averages of all but one of the data. The 5% cap provides a further safeguard and it should be retained.

There is already a high level of reporting associated with the use of research funding and little benefit is seen in increasing this. No particular difficulty is seen in providing the data requested through the Higher Education Research Data Collection.

The data currently collected (finance, load, completions and publications) are relatively straightforward and they provide a good measure of research performance.

² La Trobe University, Research and Research Training Report 2003 <http://www.latrobe.edu.au/rgso/dvcr/index.html#rpd>

Before employing alternative data, care would be required to ensure that this is robust and provides a better measure of research performance.

It is often said that the only output measure in the current research data collection is publications. In fact, completions are also an output measure and the NCG are a good surrogate for one, given their strong dependence upon proven research performance.

As noted above, universities have significant incentives to improve their research performance in the block-funding schemes. This places pressure on universities to ensure that their staff are as research-productive as possible, including early career researchers and those who are seeking to re-establish research careers.

Research Training Scheme

The RTS has the potential to encourage improvements in the quality of research student supervision in order to improve completion times and rates. However, the scheme has been in operation for too short a period to judge what impact it has had. Likewise, it is too early to judge the impact of the RTS on the placing of research students.

It also needs to be kept in mind that there are other factors that are likely to be impacting on the quality of supervision. The most important of these is the Quality Review being undertaken by the AQUA.

Increasing full-time PhD candidature to five years is not supported. Many students transfer to part-time candidature and allowing this to stretch out to ten years is considered to be too long.

The RTS, IGS and RIBG formulae are used at La Trobe University in the distribution of these funds at the Faculty level. To date there have been no undesirable side effects, though the distribution of RTS funding will require careful monitoring, particularly in areas of research strength in the Humanities. The block-funding schemes have had the benefit of clearly identifying the funding received by the University to support research.

Decisions in regard to granting leave of absence, suspending candidature or allowing students to transfer from full-time to part-time are all made with the best interests of the student in mind.

The RTS formula is not considered to be complex. However, the mechanism by which it was applied is seriously flawed. By using the separations pool mechanism many universities improved their RTS formula performance from 2002 to 2003, yet received lower RTS funding. Basically, a university with a high level of full-time students and a good completion rate can end up paying into the pool a higher percentage than it is able to draw out.

Furthermore, by making the funding adjustments by semester introduces too much instability. The RTS formula should be applied to the total amount for the scheme, on an annual basis.

It is argued that all completions, including full-fee students should be included in the RTS formula.

Institutional Grants Scheme

It is considered that the IGS is achieving its stated objectives of increasing institutions' flexibility and autonomy.

Currently, the previous year's RTS load (in Weighted Effective Fulltime Student Units) is used in the IGS formula. It is recommended that this be changed to a two year average, as with all the other data used in the IGS and RTS formulae. This will help to smooth our year to year fluctuations.

Research Infrastructure Block Grants

It is considered appropriate the RIBG and IGS formulae are different. RIBG was specifically established to support the costs of infrastructure to support projects funded through the NCG. The IGS funding plays a wider role in supporting the research activities of the university.

Attaching RIBG funding directly to competitive grants is not supported for the reason of flexibility in providing institution-wide infrastructure argued above. Furthermore, there is the danger that with the pressure on competitive grants the funding would go on supporting more grants, rather than covering infrastructure costs.

Encouragement of strategic planning verification of research and research training quality at the institutional level

It is considered that the research reporting requirements in Research and Research Training Management Reports (RRTMR) has had positive outcomes in the encouragement of a more strategic approach to research and research training.

The RRTMRs have also driven better accountability in the use of research funds.

RRTMRs could be more streamlined to focus more on the quality of outcomes, rather than the processes followed. This could be undertaken in the context of the Quality Review undertaken by the AQUA.

Regional Support Package

La Trobe University, as a recipient of Regional Support funding has an interest in seeing it continue beyond 2004. In view of the unfortunate implementation of the RTS there will be a need for a longer phase-in protection period. It is therefore argued that it would be appropriate for the Package to continue.

To assist in the building up of regional research consideration should be given to targeted competitive research funding for projects of regional significance, along the lines of the rural industries boards.

Contestability of funding for the Institute of Advanced Studies (IAS) of the Australian National Universities

The inclusion of the IAS in the block-funding schemes has clearly provided a better return to the ANU than the cost of entry. Given the full-time research status of the staff of the IAS and the level of funding received by the IAS through its block grant funds, it is not surprising that the IAS can outperform the majority of universities. The gains to the IAS have been carried by the other universities.

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