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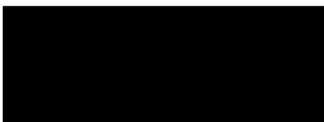
Dear Mr Laming,

Thank you for the opportunity to provide input to the House Standing Committee on Education, Employment and Training Inquiry into Funding Australia's Research.

The Inquiry offers the opportunity to explore federally funded research agencies, their funding mechanisms and university collaborative research and may lead to improved efficiency, effectiveness and processes for federal research funding agencies, research institutes, and universities.

I commend this submission to the Committee.

Yours sincerely



Professor Jane den Hollander AO  
Vice-Chancellor



## **Deakin University Submission**

### **The Standing Committee on Education, Employment and Training Inquiry into Funding Australia's Research**

June 2019

#### **PREAMBLE**

Deakin University believes that the future of a Smart Economy is dependent upon wise and substantial investment in research by our Commonwealth Government. In addition, the University receives federal funding from many of the agencies relevant to the Inquiry, as well as those that are excluded, and our business may be impacted by any outcomes of the Inquiry. .

Deakin believes that the Inquiry may lead to greater understanding as well as improved efficiency, effectiveness, and processes for federal research funding agencies, research institutes and universities. Deakin recognises that this Inquiry will be focused on federally funded research agencies, their funding mechanisms and university collaborative research, and will not consider the National Health and Medical Research Council, nor non-federal research funding.

It is hoped that in identifying any 'efficiencies', that the result is not a reduction in research investment by Government by returning uncommitted research funds to Treasury. Funding bodies that do not commit all of the funds available for allocation are acting responsibly. The uncommitted funds should be held in reserve by the funding bodies for future applications that do warrant funding.

Deakin University has attempted to address each of the four terms of reference broadly and from more than one perspective.

## **Deakin University's Responses to the Terms of Reference:**

### **1) The diversity, fragmentation and efficiency of research investment across the Australian Government, including the range of programs, guidelines and methods of assessment of grants**

Flexible funding arrangements are important to manage the diversity that exists across the system in order to ensure that infrastructure, services and other resources are available to support grant-driven research. It is also important to note that universities conduct research through a variety of arrangements and contexts, and funding must acknowledge the increasing burden of knowledge creation and stewardship that falls to universities. University research provides valuable services to the communities we serve, most of which are not funded by Government. It is important to acknowledge this as part of the context of research investment.

Deakin University questions what appears to be an assumption of fragmentation in the sector. Across the array of federal funding bodies, there is a clear specificity of purpose for each of those funding bodies, but not fragmentation in our view. There is great value in the diversity that currently exists in all the current funding schemes. The specificity of each program provides clarity to applicants. In Deakin's view, there is already efficiency and effectiveness in the system.

Having specialist agencies ensures that opportunities are targeted and designed from an informed knowledge base, not a 'one size fits all' approach, where schemes can be forced into an inappropriate framework to suit a single system approach. Retaining specialist agencies controlling their own scheme rules and processes enables a more agile approach to the innovation agenda; precisely what Australia needs. Possible improvements do include:

- a more uniform approach to post-award management across the system, much like the ARC have introduced with the post-award functionality in RMS
- a single portal where payment information is saved, reports are uploaded, variations are recorded etc. would benefit post-award administration.

Whilst Deakin University supports the wide range of funding bodies and schemes managed by the Federal Government, there is a wide range of efficiencies in the different schemes. We would encourage a more standardised approach to applications and compressed timeframes when assessing applications. This would both reduce the significant administration overheads within universities and, in the case of applications involving industry partners, give greater certainty for planning and resourcing. For example, the announcement of successful grants with industry should be in March/April and September/October timeframes only to give certainty for industry during planning cycles. Where assessment of an application is likely to take longer than two months, we would encourage a short-listing process for applications so the bulk of unsuccessful applicants are able to move on to other opportunities.

### **2) The process and administrative role undertaken by research institutions, in particular universities, in developing and managing applications for research funding**

Funding mechanisms must promote outstanding ideas and create opportunities for unexpected discoveries to flourish. This occurs most often through the competitive grants process. The 'cost' of maintaining the approach is a necessary cost. At the same time, funding application and reporting processes must avoid regulatory burden as far as possible, to ensure that community investment in research achieves maximum impact. Peer review remains the cornerstone of science and research and is vital to assure researchers, government, and the community at large that their investment is used to fund the highest-quality research. Peer review ensures merit and value.

There appears to be an underlying suggestion that the administrative role of universities in developing and managing applications leads to substantial internal cost, and that universities would benefit from being 'saved' that expense. The university's 'cost' is something that provides advantages to the University, such as training early and mid-career researchers in grant writing skill development and having a full record of our grant activity.

This administrative activity would still be necessary for internal management of competitive awards, regardless of the outcomes of this Inquiry. If a designated percentage of the presumably larger block grant were to be used by universities to fund projects, then administration costs would rise, as application quality will remain an issue. In addition, at university level, there would be a need for an internal system for judging, allocating, and reporting on those projects.

**3) The effectiveness and efficiency of operating a dual funding system for university research, namely competitive grants and performance-based block grants to cover systemic costs of research;**

An innovation system requires research and development at all stages, from strong basic research through to applied research and development. The best of this is achieved through a system that is diverse and flexible as well as substantial enough to promote growth and knowledge acceleration. The Australian research funding system must embrace the cross-fertilisation of ideas across institutional boundaries and geographic borders. It must continue to encourage collaboration among the best global researchers. Funding mechanisms must fund the best ideas, wherever they are found, and encourage participation from a diverse range of researchers across the full range of disciplines. Decisions and processes in the research funding system should be transparent in order to promote trust and build the mutual confidence of the community, government and researchers.

Deakin University sees value in keeping the competitive element and block funding elements separate. Given that the competitive grants element of Federal Government research investment affects the performance-based components of the block grant allocations to individual universities, merging the two (eliminating the competitive grants element) would create a risk of stagnating or eliminating performance-based allocations, thereby penalising universities that are on an upward performance trajectory relative to other universities. Such a change would also inhibit universities' ability to assess their relative performance in terms of the quality of their research, stifle healthy competition and, more importantly, inhibit cross-university research collaborations. Collapsing the two programs could lead to more homogeneity between institutions, resulting in Australian universities spreading their internally-determined project funding across a wide range of areas rather than aiming to have specific strengths for which they are known worldwide. That, in turn, would make it difficult to attract high performing international researchers. Finally, if the two programs were collapsed into one, the full cost of research would not be met, resulting in a temptation to reduce funding of new research in order to cover research infrastructure costs and compromising public benefit. It is widely recognised within the sector that there is a great deal of high quality research that is either under-funded or unfunded altogether and ensuring infrastructure funding is secure provides some protection against this.

**4) Opportunities to maximise the impact of funding by ensuring optimal simplicity and efficiency for researchers and research institutions while prioritising delivery of national priorities and public benefit.**

The outcomes of research are uncertain and often take decades to materialise. These characteristics make efficiency difficult to manage simply. Long-term, patient investment is required, and Government is the most appropriate investor in most cases. Coordinated planning is essential to ensure the right people with the right tools can seize opportunities at the right time.

This term of reference raises the question of what might constitute 'optimal simplicity and efficiency'. A single point of submission for applications (and possibly also for allocation/distribution of funds) would certainly provide **maximum** simplicity, but not **optimal** simplicity. A single point of submission for applications, and possibly also for allocation/distribution of funds, may not even **maximise** efficiency. From the university perspective, terminating the purpose-specific programs and schemes that currently serve as the basis for application, decision and allocation of funding provide could well prove very inefficient.

Deakin does acknowledge that post-award administration could benefit from more uniformity across Federal Government awarded funding. However, it is unclear how moving to a single federal research grant funding platform would lead to efficiencies. As a consequence of the diversity of research and disciplines in which research is conducted, any system adopted would have to, by necessity, be able to cope with underlying levels of complexity to accommodate the diversity. Many academics and industry partners view the current system as inefficient due to the time it takes from submission to outcome. Often this is attributable to delays with Government decision making, approval of funding and endorsement of outcomes. This could be improved. For example, the now rolling Linkage process: in practice it does not seem to be significantly faster than old system, the outcomes still taking six months. Once more, improvement may be through introducing more ways of removing low-ranked submissions earlier in the assessment process, thereby introducing efficiencies by effectively handling a smaller number of applications.

Deakin University believes that in order to **optimise** efficiency it is necessary to consider the needs of the applicants and the outcomes expected. For example, industry-led applications benefit from a clear focus from business. This is best achieved through a simple, concise process that does not interfere with the ability to operate as a business. For grants that look for research to make a more fundamental contribution to knowledge, the process may be optimised by ensuring that there is great due diligence and rigour applied in assessing applications.

## CONCLUSIONS

- Preserving and improving Government research investment should be the first priority. In commenting on the federal budget for 2018-19, the Chief Scientist pointed out that the level of investment in research infrastructure will take Australia just into the range expected within the OECD. Purported 'efficiency dividends' that reduce Government research investment by returning uncommitted funds to Treasury are counter-productive.
- Simplifying Government administration of research funding through introduction of a single or small number of 'hubs' or submission points is only advisable if the function of those 'hubs' is limited to collection of submissions and direction of the submissions to the relevant funding body for expert consideration in terms of the specific purpose and intent of the schemes with respect to which a funding body is dedicated.
- Collapsing the competitive grants component of Government research investment into the block grants component would be highly counter-productive. As described above, that would inhibit universities' ability to assess their relative performance in terms of the quality of their research, stifle healthy competition and, more importantly also inhibit cross-university research collaborations.