



Submission by the Regional Universities Network on the consultation paper *Sharper Incentives for Engagement: New Research Block Grants Arrangements*

The Regional Universities Network (RUN) welcomes the opportunity to respond to the consultation paper on the new research block grants arrangements. RUN universities support the Government's new approach which proposes to:

- Streamline and simplify the existing research and research training block grant arrangements;
- Provide clearer incentives to reward end-user engagement;
- Implement the new arrangements incrementally over the period 2017-2020; and
- Provide an additional \$50 million per annum (indexed) to further increase incentives to promote end-user engagement.

However, the proposed new arrangements are likely to disadvantage aspirational institutions whose research performance is growing rapidly during the transition years for the new arrangements compared with those institutions whose performance is relatively stable. Most RUN universities fall into the aspirational institutions group, along with a number of other regional and metropolitan universities. The transitional arrangements should be designed to minimise the unintended consequences of adverse effects on institutions experiencing strong growth trajectories during the transition period. The proposed transition arrangements may need to be supplemented by adjustment funding to regional and other universities to enable a continuation of and growth in the delivery of high quality research.

Consultation questions:

- 1 Does RSP funding require limits on allowable expenditure? If so, would the proposed restrictions allow sufficient flexibility to support HEPs research activities?**

The consultation paper notes that the objectives of the Research Support Program (RSP) are to:

- Provide a flexible funding stream to support the systemic costs of research at Australian HEPs, including the indirect costs of Australian competitive research grants;
- Support the delivery of world class research; and
- Support collaboration with industry and other research end-users.

The paper proposes that to harmonise arrangements and provide the appropriate level of flexibility, RSP grants should be able to "be spent on the direct and indirect costs of research with HEPs (higher education

providers) to choose the appropriate balance". The paper qualifies this arrangement to exclude expenditure on capital infrastructure costs that are not directly related to research and expenditure on support for research students. The paper argues that the former should be excluded because the costs are not directly related to research, and that the latter should be supported by the new Research Training Program (RTP) rather than the RSP.

RUN universities support the paper's position in its unqualified form. The RSP guidelines should permit the greatest flexibility in terms of allowable expenditure consistent with the program's objectives and accountability for the expenditure of public funds. The provision and maintenance of capital infrastructure is necessary for the delivery of world class research (objective two above), even if the costs are indirectly research-related. Furthermore, as the paper notes, research students are integrated into the fabric of HEPs' research operations and it may not be practical to clearly delineate between the RSP and RTP. For this reason, RUN universities argue that expenditure on research students should not be excluded from the RSP.

To take account of its position, RUN proposes that:

- Paragraph 1.10.5 (2) in the RSP program guidelines at Attachment B to the consultation paper should be deleted; and
- All HEPs in receipt of RSP funding should be required to submit an annual statement, detailing their research expenditure under broadly based headings.

2 What information could HEPs provide to best demonstrate value for money and performance under the RSP?

The consultation paper seeks advice about possible measures to demonstrate the value of the RSP to the national research effort. RUN universities urge caution in attempting to develop RSP-specific output and outcome measures because of attribution difficulties. Staff, research projects and research outputs are often supported by revenue from a variety of sources and any attempt to quantify the RSP's contribution to these measures would be fraught. A more appropriate though less direct approach would be to recognise the RSP's contribution to Australia's research effort through mechanisms such as Excellence in Research for Australia and by measuring engagement and impact.

3 Should a cap be imposed on international enrolments or should enrolments be unrestricted and monitored over time?

The consultation paper proposes that a simple cap of 10% of all RTP funding could be used to support international students.

RUN universities recognise the importance of ensuring that domestic students retain acceptable access to opportunities in the research training system but also note the very high calibre of many international applicants. A cap of 10% of funding for international students is likely to be too low and a more appropriate cap – if one is required at all – would be of the order of 20-25%. The Government should monitor any movement in support for domestic versus international higher degree by research (HDR) students over time (see question four).

4 Which key dimensions of RTP support (such as the type of students, total amount of support and stipend levels) would reporting need to include to ensure the program is meeting its policy goals and no undesirable consequences are occurring?

The consultation paper notes that the objectives of the RTP are to:

- Provide flexible funding arrangements to support the training of domestic and overseas research students at Australian HEPs;
- Deliver graduates with the skills required to build careers in academia and other sectors of the labour market;
- Support collaboration with industry and other research end-users; and
- Support overseas HDR students studying at an Australian HEP.

To monitor the program and address any unintended consequences, it would be appropriate to monitor the following:

- The number and type of students (including nationality);
- The level and type of RTP support provided;
- Graduate destinations; and
- The nature of any engagement with industry and other research end-users.

This issue is also addressed at item 11. Some of the information is already gathered through mechanisms such as the higher education student data collection.

5 Are the proposed RTP eligibility criteria an improvement on current arrangements? Are there likely to be any unintended consequences?

The consultation paper proposes that eligibility for support under the RTP could be simplified to:

- A student must be enrolled in a HDR at an Australian HEP;
- An overseas student must meet overseas student visa requirements as specified by the Department of Immigration and Border Protection;
- A student receiving a RTP stipend must not be receiving equivalent support providing a benefit greater than 75 per cent of the student's stipend rate; and
- A student must not be receiving a scholarship for which course tuition is a component under any other scholarship program to which the Australian Government makes a substantial contribution.

RUN universities support these eligibility criteria. They also prefer that candidates are able to fund only one Research Masters and one PhD using RTP funding.

6 Is the proposed approach to defining RTP benefits a better approach to meeting the goals of the program? Are there likely to be any unintended consequences?

7 Will the flexibility to set maximum stipend rates result in competition across the sector and mean that most students will receive the maximum level of RTP support and cause a substantial reduction in HDR student numbers? If this is a likely risk what constraints should be built into the new arrangements?

The paper proposes that a new stipend range should be introduced, to allow "higher living costs experienced by some students to be recognised or to attract students to fields of research that are institutional and Government priorities". The stipend's minimum range for a full-time student would be set at the level of the current Australian Postgraduate Award (APA), as indexed, and the maximum rate would be set at \$15,000 above the minimum.

RUN universities oppose the introduction of a stipend range. If introduced, all HEPs would be under pressure to offer stipends at the maximum rate in order to remain competitive, and this would lead to a significant reduction in the number of higher degree by research candidates. If institutions are restricted in the number of stipends they can offer at the maximum level stipends they may offer (to say 20%), managing this process internally could be divisive and lead to resentment by students who feel under-valued.

RUN universities consider that any benefits of introducing a stipend range would be outweighed by the negative consequences and that the current arrangements should continue. RUN is supportive of allowing external sources, such as employers, to top-up student stipends provided that the amount does not exceed the 75% eligibility limit. This approach is consistent with the program's objective of encouraging engagement between collaboration with industry and other research end-users, while not reducing opportunities for HDR students more broadly.

The consultation paper advises that the RTP will provide students with an annual stipend and/or course related allowances, and/or exemption from payment of student contributions or tuition fees. However, support for the latter is only confirmed for HDR courses of study until 2018 and is subject to the finalisation of the Government's proposed directions under the higher education reform agenda. RUN universities recognise that the proposed changes to the research block grants programs are occurring against a backdrop of the Government's broader higher education policy reforms. However, they believe that it would be counter-productive to introduce major changes to the research block grants in 2017 and follow these with further significant changes to the RTP - which could disadvantage research students - with effect from the following year. Lack of clarity on this issue, if prolonged, may deter students from embarking upon a lengthy higher degree program.

8 Is the proposed length of RTP support a better approach to meeting the goals of the program? Are there likely to be any unintended consequences?

The paper proposes that the length of tuition fees support and the living cost support (where provided) be aligned to:

- A minimum 3 years for a full-time Research Doctorate degree, with a HEP able to extend support for two additional periods of up to six-months each based on satisfactory progress. A HEP would also have discretion to provide a further extension of six months only under exceptional circumstances; and
- A minimum 2 years for a full-time Research Masters degree (4 years part-time), with a HEP able to extend support for six months only under exceptional circumstances.

A focus on timely completions has been a positive achievement of the research training system that has been in place since around 2000. RUN universities consider that it is important to retain this focus and that funding for doctoral candidates should be offered for a period of three and a half years with the possibility of a single six month extension. RUN universities support the proposed limits for Research Masters students.

9 Is the proposed approach a better approach to meeting the goals of the program? Are there likely to be any unintended consequences?

10 Would the proposed provide clarity to students regarding RTP processes and entitlements? Are there likely to be any unintended consequences?

RUN universities support the proposed arrangements relating to application selection and offer processes (issue 7) and RTP scholarship policy (issue 8).

11 Are the proposed transition arrangements sufficient for continuing students? Are there likely to be any unintended consequences?

The paper proposes that all students who are continuing their degrees in 2017 should be provided with (at least) equivalent support under the RTP. For the purposes of transparency, HEPs could be required to write to all affected continuing students advising them of their 2017 entitlements prior to 2017.

RUN universities support the proposed arrangements for continuing students.

12 Would the proposed arrangements help the monitoring and benchmarking of student outcomes? Should the department consider collecting any other types of HDR student data such as level of support provided and a stipend amounts for individual students?

See also response to question 4.

RUN supports the principle of ensuring there is sufficient information to monitor and review the impact of the proposed changes, including information about levels and type of support, duration of study, attrition data, end-user engagement data and graduate destinations. Some of this data is already collected through the student data collection, stipends are generally managed by universities' human resource systems, and other data sources (such as the HERDC and ERA data collections) are under review. This is a highly technical area which requires specialist input from the department and HEPs' data areas. Any new reporting, especially around completion data, would need to be considered very carefully.

13 Would the proposed changes to Categories 2, 3 and 4 result in more appropriate and reliable measures of research engagement? Should the department consider collecting any other types of engagement data?

RUN universities are supportive, in-principle, of the proposed changes to Categories 2 and 4 research income, and strongly endorse the proposal to move reporting on Category 4 research income to a calendar year basis.

With respect to Category 3 income, the Department has proposed to remove HDR fees as they represent a 'weak indicator of engagement'. At some of our universities, more than half of fee-paying HDR students are in receipt of private sponsorships, from a variety of sources. While it is agreed that students may make decisions for a range of reasons, there is inadequate justification provided for the removal of this sub-category and further evidence should be gathered before proceeding.

More broadly on the issue of engagement, the proposed approach fails to acknowledge that a significant proportion of Category 1 income also involves significant engagement with industry and end users, including ACIAR, ARC Linkage, NHMRC Partnerships, Rural R&D programs, and a number of non-Commonwealth funding programs. It is recommended that the Department consider further the exclusion of all Category 1 income from any metrics that are proposed to measure engagement.

RUN universities do not support the collection of other types of data as part of HERDC. It is our understanding that engagement/metrics and impact assessment will become a companion data collection as part of ERA and, as such, existing data collections should be utilised foremost in this context.

The proposal to change sub-categories within Category 3 will require additional data to be gathered by HEPs (income from non-profits). We endorse this being introduced in 2018 (for 2017 data collection) to allow time for changes in data gathering mechanisms.