26 July 2016

Mr Dom English
Group Manager
Research & Economics Group
Department of Education and Training
C:/ RBGrants@education.gov.au

Dear Mr English,

Please find attached a submission from the University of Sydney in response to the Sharper incentives for engagement: New research block grant arrangements for universities consultation paper released by the department in May 2016.

Please do not hesitate to contact Mr Tim Payne, Director Higher Education Policy and Projects in my office if you would like to discuss any aspect of this submission with representatives of the University: tim.payne@sydney.edu.au, 02 9351 4750.

Yours sincerely,

(Signature removed for electronic distribution)

Michael Spence

Attachment  University of Sydney submission to the Sharper incentives consultation paper
University of Sydney submission to the Sharper incentives for engagement: New research block grant arrangements for universities, consultation paper, July 2016

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1. Executive summary

The University of Sydney broadly supports the key objectives of the proposed reforms to the Research Block Grants (RBG) scheme detailed in the consultation paper. We note that the various reform proposals seek to implement key recommendations of the recent Watt Review of Research Policy and Funding Arrangements, and, to a lesser extent, the recommendations of the Australian Council of Learned Academies’ (ACOLA) Review of the Research Training System.

We particularly support the proposed measures to simplify the RBG funding arrangements, to make them more transparent and to give High Education Providers (HEPs) greater flexibility over the activities for which the funds are used. The scale of the reforms proposed in relation to funding support for the research training system and for Higher Degree by Research (HDR) students represent arguably the most significant change to the system since its current arrangements were established some 15 years ago. As the largest provider of research training in Australia, we are keen to work with the government, our students and the rest of the sector to ensure the transition to the new arrangements is smooth and successful.

Of course, the commitment by the government of an additional $50 million (indexed) in funding each year from 2017–2020 to provide an additional incentive for HEPs to collaborate with industry and other research end-users is welcome and will make a difference. The proposal to give Aboriginal and Torres Strait Islander HDR completions double weighting under the new Research Training Program’s allocation formula is also strongly endorsed for the additional encouragement it will give HEPs to increase numbers of Aboriginal and Torres Strait Islander students and completions.

While supportive of the general thrust of the reforms as detailed, we raise for consideration by the department the following key issues arising from the consultation paper:

- the continuing funding shortfalls for the full costs of supporting Australian Competitive Research (ACR) grants;
- the removal of Excellence in Research for Australia (ERA) performance as a funding driver when a stated key objective of the reforms is to support the delivery world-class research, and the missed opportunity to use ERA performance to drive funding support for research training;
- the potential impacts of the Research Support Program (RSP) proposals on the sustainability of the dual funding system, given the likelihood under the RSP guidelines as drafted funds will be relied upon increasingly to meet the shortfalls in the direct costs of ACR and other externally funded research;
- the current feasibility of the proposal to require HEPs to report their indirect ACR costs separately in their annual financial statements;
- the utility and practicality of the proposal to exclude RSP funds from being used to support any research training activities;
- the proposed prohibition on the use of RSP funds to support underpinning capital infrastructure;
- the proposed introduction of a 10% cap on the share of RTP funding that can be allocated to support international students;
- the classification of internationally competitive grant income under the HERDC specifications; and
- the need for the department to work closely with the sector through Universities Australia and the Council of Deans and Directors of Graduate Studies to establish data collection and program evaluation frameworks that are fit for purpose, robust and do not impose a duplicating or excessive collection and reporting burden for HEPs.

We seek to address some of these in the recommendations that follow and in our detailed responses to the paper’s 13 specific questions.
2. Recommendations

Research Support Program

Recommendation 1 (Issue 1 – Allowable expenditure)
We recommend that the department undertakes to monitor Australian Competitive Research (ACR) funding and HEP research expenditure trends over the period 2017–20 for unintended consequences for the dual funding system.

We also recommend that the department replace draft RSP Guideline 1.3 with the following, to make the key objectives of the RSP clearer:

“The objectives of the RSP are to support the delivery of world-class research by:

(i) providing a flexible funding stream to support the general fabric of HEPs’ research activities;

(ii) supporting the indirect costs of ACR grants administered by HEPs;1 and

(iii) encouraging research collaboration between universities, industry and other research end-users.”

Recommendation 2 (Issue 1 – Allowable expenditure)

We recommend that the department defer the proposed requirement for HEPs to report ACR indirect costs separately in their financial statements to allow time for consultation with the sector to explore the desirability and feasibility of developing a robust (and efficient for HEPs, in terms of the accounting and reporting requirements) indirect ACR costing and reporting model. We would be pleased to be involved in such discussions and to brief the department on the technical issues as appropriate.

We further recommend that draft RSP Guideline 1.10.1 is amended to include more detail about the consultation processes the department will undertake with HEPs before specifying reporting requirements in relation to any given Grant Year. For example, will these data be collected through the annual Higher Education Research Data Collection (HERDC) process, allowing for consultation to occur annually on the relevant proposed specifications?

Recommendation 3 (Issue 1 – Allowable expenditure)

Amend draft RSP Guideline 1.10.5(2) to specify that RSP grants may be used for indirect/underpinning capital infrastructure research costs.

Recommendation 4 (Issue 1 – Allowable expenditure)

Amend draft RSP Guideline 1.10.5(1) to limit the proposed exclusion on the use of RSP funds for costs associated with research students to those direct costs specified in draft RTP Guideline 1.15.5 such as HECS and tuition fee offsets, stipends and course-related allowances.

Amend the definition of “Research” used in both the draft RSP and RTP Guidelines to use the definition in the HERDC Specifications.

Recommendation 5 (Issue 2 – Measuring performance)

Defer implementation of the proposal to require HEPs to report additional data about staff, research outputs and projects supported by RSP funds as proposed.

Work with the sector through Universities Australia to agree and establish a robust approach to data collection and the ongoing evaluation of the RSP against its objectives.

1 And Internationally Competitive Grants if these are moved from HERDC Category 3 to Category 1 as recommended in relation to Issue 11 below.
As for Recommendation 2 above, amend draft RSP Guideline 1.10.1 to include more detail about the consultation processes the department will undertake with HEPs before specifying reporting requirements in relation to any given Grant Year.

**Research Training Program**

**Recommendation 6 (Issue 3 – Single funding pool)**
Delete draft RTP Guideline 1.15.30 (so as not to impose a 10% cap on RTP funding that can be provided to directly support international students).

**Recommendation 7 (Issue 4 – Eligibility criteria)**
Amend draft RTP Guideline 1.10 to include a prohibition on students receiving RTP support for a second research qualification at the same level for which a qualification has already been completed with RTP support (or previous RTS, APA, IPRS support).

Amend draft RTP Guideline 1.15.25(6) to base the 75% alternative income prohibition rule on a standard stipend rate set by the government or HEPs, rather than on the stipend received by each individual student.

**Recommendation 8 (Issue 8 – RTP Scholarship Policy)**
Amend the definition of RTP Scholarship Policy in the draft RTP Guidelines to read: “RTP Scholarship Policy is a policy or set of policies that specifies a HEP’s administrative rules that apply to RTP Scholarships in relation to items listed in paragraph 1.20.”

**Recommendation 9 (Issue 11 – Measuring Engagement)**
Given the highly competitive nature of international competitive grants (run predominantly by government or intergovernmental funding councils) we recommend that consideration is given to moving these from HERDC Specifications Category 3 to Category 1.

### 3. Responses to consultation questions

**Research Support Program**

**Issue 1 Allowable RSP expenditure**

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 includes four key proposals relating to allowable expenditure from RSP funds:

   1. harmonise the rules for the current Research Infrastructure Block Grant (RIBG), Sustainable Research Excellence (SRE) and Joint Research Engagement (JRE) schemes under the proposed single RSP to give HEPs flexibility over the use of funds for both indirect and direct research costs (p.9);
   2. require HEPs separately to report RSP expenditure on the indirect costs of ACR grants in their financial statements (p.9);
   3. prohibit the use of RSP funds for capital infrastructure costs not directly related to research (pp.9–10); and
   4. exclude RSP funds from being used for costs associated with supporting higher degree by research students (p.10).
Proposal 1  Single RTP pool for indirect and direct research costs

The additional flexibility that the first proposal would provide is attractive from an operational perspective. However, there are possible implications for the sustainability of Australia’s ‘dual funding’ system of support for ACR grants. Unlike their counterparts in US and the UK, Australia’s research funding councils do not contribute towards the ‘indirect’ or ‘overhead’ costs incurred by institutions in supporting the delivery of funded grants. Rather, under our longstanding dual funding model, HEPs are expected to meet these costs from the existing performance-based RBGs and other sources of income. Already, funding provided by the Australian Research Council (ARC) and the National Health and Medical Research Council (NHMRC) often falls well short of the actual direct costs of supporting their fellowships or grants. For example, the current indicative salary gap for our NHMRC fellows ranges from $18,000 to $74,000 per year depending on the level of the appointment, while the shortfall for NHMRC project grant professional support packages ranges from $18,000 to $59,000 a year.

One possible unintended consequence of giving HEPs the freedom to use RSP funds for direct research costs is that the funding councils will become even less inclined to cover the full costs of their grants. Another possible outcome is that in order to win highly competitive grants from the councils (or non-government research funders) some HEPs may make commitments to meet direct research ACR costs from RSP funds, with flow-on consequences for all HEPs and the sustainability of funding for the ACR grant system overall. Finally, the public policy appropriateness of taxpayers’ funds potentially being used by HEPs to meet shortfalls in funding for direct and indirect costs from private sector and other non-Commonwealth government funders of research needs to be considered.

It is important to consider the history and purpose of the current RBGs, commenced in largely their current form in 2001 following the then government’s Knowledge and Innovation White Paper of 1999, which, for example, established the Institutional Grants Scheme (IGS – now the Joint Research Engagement (JRE) scheme) using funds previously allocated through the Research Quantum and Small Grants Scheme components of universities’ operating grants to ‘support the general fabric of institutions’ research and research training activities’ through performance-based funding.2 It was never the policy intention of the IGS/JRE to support direct costs of ACR grants. Rather, this block grant funding has always been intended to support the overall research fabric and capacity of HEPs (including salary and on-costs of Chief and Partner investigators for ACR grants), albeit with broad discretion over research activities for which the funds may be used. As noted in the consultation paper (p.10), the policy intent of the RIBG and the SRE to support the indirect costs of ACR, not direct costs, is very clear.

Recommendation 1
Notwithstanding potential risks to the integrity and sustainability of the dual funding system, and recognising the desirability (and challenges) of making the transition to a single RSP funding pool, we recommend that the department undertakes to monitor ACR funding and HEP research expenditure trends over the period 2017–20.

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2 Kemp, D., Minister for Education and Youth Affairs, Knowledge and Innovation: a policy statement on research and research training, 1999, p.15
We also recommend that the department replace draft RSP Guideline 1.3 with the following, to make the key objectives of the RSP clearer:

“The objectives of the RSP are to support the delivery of world class research by:

(i) providing a flexible funding stream to support the general fabric of HEPs’ research activities;
(ii) supporting the indirect costs of ACR grants; and
(iii) encouraging research collaboration between universities, industry and other research end-users.

Proposal 2    Separate reporting of indirect costs in university financial statements

The policy intent of collecting data from HEPs about the indirect costs they incur in supporting ACR grants is supported. The lack of reliable and comparable data about these indirect costs and their trends has limited the sector’s ability to support the case for increased funding support to meet these costs.

Nevertheless, we have reservations about the utility and feasibility of requiring HEPs to report these costs separately each year from 2017 in their financial statements. Our experience from participating in the transparent costing exercises undertaken for the SRE, the costing studies undertaken for the Base Funding Review and the Review of the Full Costs of Research Training in 2011, and our own work to quantify the full costs of our research activities, suggests that extracting accurate data is very time consuming and difficult, with the outcomes highly dependent on the accounting model and assumptions used. Moreover, unless all HEPs agree to apply a common methodology, the accuracy of the data reported in their financial statements will be questionable and not comparable between HEPs.

Recommendation 2
We recommend that the department defer this proposal to allow time for consultation with the sector to explore the desirability and feasibility of developing a robust (and efficient for HEPs, in terms of the accounting and reporting requirements) indirect ACR costing and reporting model. We would be pleased to be involved in such discussions and to brief the department on the technical issues as appropriate.

We further recommend that draft RSP Guideline 1.10.1 is amended to include more detail about the consultation processes the department will undertake with HEPs before specifying reporting requirements in relation to any given Grant Year. For example, will these data be collected through the annual HERDC process, allowing for consultation to occur annually on the relevant proposed specifications?

Proposal 3    Exclusion of capital infrastructure costs not directly associated with research

The proposal to prohibit RSP funds from being used to support capital infrastructure costs not directly associated with research is not supported. Notwithstanding that the proposal is consistent

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3 ‘and Internationally Competitive Grants’ if these are moved from HERDC Category 3 to Category 1 as recommended in relation to Issue 11 below.
with current restrictions placed on the RIBG, the distinction seems rather artificial and impractical in 2016.

As a research-intensive university committed to research-led and research-informed teaching, much of our existing and new infrastructure includes integrated education and research spaces. Providing the underpinning capital infrastructure is a prerequisite for the establishment of integrated or dedicated research facilities, and it should be appropriate for HEPs to use RSP funding to contribute a reasonable amount towards such works and activities.

Unless this is allowed, then with the current absence of dedicated sources of funding to support research infrastructure (Capital Development Pool, Education Investment Fund, Super Science Initiative etc no longer in place), the cost of supporting the research component of underpinning capital infrastructure can only be met from income earned from sources intended primarily for teaching purposes such through the Commonwealth Grants Scheme (CGS) and student contributions, and from other discretionary sources of income to which HEPs may have access (philanthropy, endowments etc). The long-term appropriateness of developing and sustaining research infrastructure in this way is questionable.

**Recommendation 3**
Amend draft RSP Guideline 1.10.5(2) to specify that RSP grants may be used for indirect/underpinning capital infrastructure research costs.

**Proposal 4  Exclusion of costs associated with supporting research students**

While we understand the policy intent and logic behind the proposal to exclude all costs associated with supporting research students, we do not support the proposal on the grounds that seeking to demarcate research training activity clearly from actual research is impractical (see consultation paper (p.10)). Here we note that the definition of *Research* contained in the HERDC Specifications includes within it ‘activities and training of HDR students’, ‘the development of HDR training and courses’ and ‘the supervision of students enrolled with the HEP undertaking HDR training courses’. This definition is consistent with the definition used by the OECD through the *Frascati Manual*, has been agreed with HEPs and refined over many years.

A share of research infrastructure costs would also need to be apportioned to research students as they almost invariably share this infrastructure with employed staff and affiliates. Determining the value and demarcating the precise source of funding for research training activities such as these would require each HEP to implement complex activity-based accounting systems, with the costs of doing so outweighing any benefits.

However, noting the purpose and scope of the proposed RTP, if an exclusion on the use of RSP funds is to be implemented, it should apply only to those clearly identifiable direct costs associated with HDR students such as HECS exemptions, tuition fees, stipends and course-related allowances as specified in the consultation paper (p.17).

**Recommendation 4**
Amend draft RSP Guideline 1.10.5(1) to limit the proposed exclusion on the use of RSP funds for costs associated with research students to those direct costs specified in draft RTP Guideline 1.15.5 such as HECS and tuition fee offsets, stipends and course related allowances.
Amend the definition of Research used in both the draft RSP and RTP Guidelines to use the definition in the HERDC Specifications.

Issue 2 Measuring performance

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

As the consultation paper notes (p.11) the diffuse ways by which RSP funding will be used to support HEPs’ research activities make the task of demonstrating cause and effect in terms of outcomes achieved particularly challenging. Evaluating public policy programs requires specific methodology and skills. We recommend that the department consider establishing a dedicated project, in partnership with the sector through Universities Australia, to develop and establish a robust evaluation framework to monitor trends and demonstrate the outcomes that can be attributed with confidence to RSP (and RTP) funding.

It would not currently be feasible for us to report (as proposed) with confidence on the number of researchers and research support staff supported directly or indirectly by RSP funds; the type and number of research outputs directly or indirectly supported by the RSP; or the number of distinct research projects supported directly or indirectly by the RSP (p.11). Moreover, it is difficult to see what value the collection of such information would add, over and above the data that are already available as a result of the ERA initiative.

The overarching objectives of the RSP are to support the delivery of world class research and to encourage greater levels of collaboration with industry and other research end-users. Given these objectives, the existing ERA initiative, the various global rankings of universities that are driven heavily by research performance, and the method currently under development separately to measure impact and engagement, these would seem to be the most appropriate sources of data for the purposes of demonstrating the value, impact and outcomes of the RBGs and of the changes to them that will occur from 2017.

Recommendation 5
Defer implementation of the proposal to require HEPs to report additional data about staff, research outputs and projects supported by RSP funds as proposed.

Work with the sector through Universities Australia to agree and establish a robust approach to data collection and the ongoing evaluation of the RSP against its objectives.

As for Recommendation 2 above, amend draft RSP Guideline 1.10.1 to include more detail about the consultation processes the department will undertake with HEPs before specifying reporting requirements in relation to any given Grant Year.

Research Training Program

Issue 3 Single funding pool

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

The proposal for a single RTP funding pool covering domestic and international HDR students is strongly supported for the flexibility it will give HEPs to recruit the highest quality candidates. The proposal to monitor trends in HEPs’ HDR enrolments and the distribution of RTP funding to
domestic and international students is preferred over the introduction of a 10% cap on the share of RTP funding that can be allocated to support international students.

The introduction of such a cap would have an unequal effect on different disciplines, and we would expect it to be particularly detrimental in some STEM fields. For example, in engineering, there are currently insufficient suitably qualified local applicants to further develop national research capacity in the field, so international recruiting is often necessary to support externally funded research with high quality candidates. However, the current restrictions on the use of external funding for research training mean that it is often impossible to provide international students with the support they need to come to Australia - even if sufficient funding is available to support all other costs of enrolling these students.

Recommendation 6
Delete draft RTP Guideline1.15.30.

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?

Through its annual student data collections the department already obtains information on the number, load, commencements, completions, citizenship, degree type, and broad field of study of HDR students. This should continue but could be supplemented with additional data agreed through consultation with HEPs. Additional data that could be considered for annual collection subject to system and feasibility checks include:

- breakdown of each HEP’s RTP expenditures on fee offsets, stipends and allowances;
- value of RTP fee offsets, stipends and allowance support provided to international students as a share of the HEP’s total RTP expenditure;
- numbers and load of domestic and international students receiving each of RTP fee offsets, stipends and allowances;
- if flexibility is provided over stipend rates (Question 6), each HEP’s minimum, maximum, average and median stipend rate by student type (domestic and international) and Field of Study (FOS) and/or Field of Research (FOR);
- value of other HEP expenditure on fee offsets, stipends and allowance support provided to domestic and international students;
- number of students and total value of support provided to them by industry and other external entities other than the department of Education and Training (potentially by FOS/FOR and domestic and international students);
- for international students, the country where their undergraduate studies were completed; and
- numbers of domestic and international applicants considered suitable for tuition and/or stipend support but were unsuccessful, by type of student and field of study (unmet demand measure).

Issue 4 Eligibility criteria

5. Are the proposed RTP eligibility criteria an improvement on current arrangements? Are there likely to be any unintended consequences?
Yes, the proposed harmonised and simplified eligibility requirements would improve the current arrangements significantly. So long as HEPs apply transparent, competitive, merit-based selection policies and processes, there should be no unintended consequences.

As a matter of policy principle, it should not be possible for a student to obtain RTP support for a second research qualification at the same AQF level for which a qualification has already been completed with RTP support.

If HEPs are to have some flexibility over stipend rates, then for reasons of administrative efficiency the 75% rule should be based on a standard stipend rate set and indexed annually by the department or by each HEP.

**Recommendation 7**

Amend draft RTP Guideline 1.10 to include a prohibition on students receiving RTP support for a second research qualification at the same level for which a qualification has already been completed with RTP support (or previous RTS, APA, IPRS support).

Amend draft RTP Guideline 1.15.25(6) to base the 75% alternative income prohibition rule on a standard stipend rate set by the government or HEPs, rather than on the stipend received by each individual student.

**Issue 5 Benefits**

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?*

Yes, the proposal to give HEPs flexibility over how they choose to allocate RTP funds across the allowable expenditure categories would improve on the current arrangements. One possible unintended consequence is that HEPs could over-invest in one core area of HDR activity (more and/or higher student stipends for example) but neglect other areas. However, doing this would not be in their long-term interests, so the risks are small. Rather than impose caps on the share of RTP funds that can be used for different purposes, it would be preferable for the department to monitor trends over the first few years of the reforms and intervene with further regulation only if problems emerge.

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 proposal to give HEPs some flexibility to vary stipend rates within minimum and maximum levels set by the government is welcome. We agree it is possible that this reform could result in higher average stipends and fewer awards overall. While such additional competition and the resulting higher payments may be good for the students who win them (here we note that the student representative bodies have argued consistently in reviews of the research training system that the current APA rate is too low to meet basic living costs — particularly in major metropolitan areas) this may not be the best outcome in terms of the government’s goals for the policy and program.

However, with RTP funding to be driven 50% by each HEP’s completions and 50% by their research income, there will also be strong incentives in place for HEPs to maximise the number...
of RTP stipends they provide. Therefore, rather than enforce arbitrary limits on the share of RTP funding that HEPs may use for higher value stipends or limit such stipends to particular fields, we would prefer that the government monitor student numbers and expenditure trends during the first years of the new arrangements by collecting data such as those suggested in our response to question 4 above.

One possible compromise option worth consideration, if monitoring shows a reduction in stipend numbers, would be to allow HEPs to offer stipend loadings where ABS data provide evidence of substantially higher average living costs in the city compared to the national average.

Issue 6 Length of support

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 desirability of aligning the duration of candidature supported by RTS HECS/Tuition fee exemption funding with the length of scholarship support available under the APA and IPRS schemes is an issue that has been highlighted by successive reviews of the research training system, and most recently by both the Watt and ACOLA reviews.

We therefore welcome the proposed alignment for Research Doctorates and Research Masters degrees, although we note that the minimum period of support available for Research Masters students will need to accommodate programs where less than two years full time study is the norm.

Issue 7 Application, selection and offer processes

9. Is the proposed approach (for applications and selections) a better approach to meeting the goals of the program? Are there likely to be any unintended consequences?

The proposed approach is supported and we cannot foresee any unintended consequences.

Issue 8 RTP scholarship policy

10. Would the proposed requirements for HEP RTP Scholarship Policies provide clarity to students regarding RTP processes and entitlements? Are there likely to be any unintended consequences?

The proposal to shift detailed rules governing student entitlements from the Guidelines and Conditions of Grants documents to HEPs’ policies is supported. This will provide HEPs with more flexibility over the detail of implementation, while still ensuring students have clarity regarding RTP processes and entitlements. We cannot foresee any unintended consequences.

With the application process for 2017 HDR places and scholarships already commenced, the timing of the department’s requirements for HEPs to have a single dedicated RTP Scholarship Policy in place will need to be deferred or be applied flexibly based on existing policies and processes in 2017 and 2018.

Recommendation 8
Amend the definition of RTP Scholarship Policy in the draft RTP Guidelines to read: “RTP Scholarship Policy is a policy or set of policies that specifies a HEP’s administrative rules that apply to RTP Scholarships in relation to items listed in paragraph 1.20.

Issue 9 Continuing students

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

Yes, the proposed transition arrangements for continuing students are fair and sensible. The basic principle should be that HEPs ensure that continuing students are able to complete their studies with arrangements that leave them no worse off. In the event that the new RTP funding arrangements enable HEPs to give continuing students (or a sub-group of these) additional benefits, we agree this should be at the discretion of HEPs.

Issue 10 Measuring performance

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 our response to Question 4 in relation to monitoring student load and completions and levels of support provided, and our response to Question 2 concerning data collection to support program evaluation.

We generally support the collection through the HESDC of more comprehensive HDR completion data, Field of Research (FOR) data for HDR students, and industry engagement data, so long as the data proposed are clearly defined and fit for purpose, with any additional reporting requirements agreed with the sector through Council of Deans and Directors of Graduates Studies.

We strongly support the ACOLA review’s finding and recommendations in relation to developing improved data sets about HDR graduate outcomes through the refinement of existing surveys and the establishment of a longitudinal HDR graduate careers survey. Given the objectives of the RTP, developing such a data set in close consultation with the sector and students would seem to be essential.4

We also note that after successfully piloting a new Employer Satisfaction Survey developed by the University of Sydney’s former Workplace Research Centre, the government has committed to conducting this survey on a regular basis nationally with the data to be made publicly available through the Quality Indicators for Learning and Teaching (QILT) website. We understand that the detailed development of this survey is currently underway, and recommend that the department take steps to ensure that it covers HDR graduates appropriately.5

Recommendation 10

As for Recommendation 2 and 5 above, amend draft RTP Guideline 1.15.1 to include more detail about the consultation processes the department will undertake with HEPs before specifying reporting requirements in relation to any given Grant Year.

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5 https://www.qilt.edu.au/about-this-site/employer-satisfaction-survey-(ess)
Measuring engagement

Issue 11 Proposed changes to the Higher Education Research Data Collection Specifications to better measure research engagement

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?

The department has proposed the following changes to the eligibility rules and reporting of Category 2-4 income under the HERDC Specifications to ensure that these categories provide appropriate and reliable measures of research engagement:

1. **Category 2**
   - Incorporate local government income into the State sub-category. (p.25)
   - Separate government commissioned research service (own purpose research) from research supported by government where government is not the end-user (other research). (p.26)

2. **Category 3**
   - Remove HDR fee income (domestic and international students). (p.24)
   - Amend the sub-categories to capture:
     - industry income from Australian and international sources (grants and contracts);
     - non-profit entity income from Australian and international sources (grants and contracts); and
     - philanthropy income from Australian and International sources (philanthropic donations from industry would be included here). (p.26)

3. **Category 4**
   - Require reporting of income for Cooperative Research Centres (CRCs) from industry organisations under an ‘industry’ sub-category.
   - Include an ‘Other’ category that would capture income from other non-HEP sources.
   - CRC income to be reported on a calendar year basis. (p.27)

**Proposal 1 Changes to Category 2**

The proposed changes to Category 2 are broadly supported as sensible.

A possible issue with incorporating local government income into state government income is whether there may be jurisdictional differences in the breakdown that may confound national comparisons. For example, research funded by water utilities may be counted as industry (Qld, NSW), be provided by local councils or be administered at a state level. So a comparison of ‘water research’ would deliver very different HERDC outcomes across states and territories.

The proposal to require separate reporting of government ‘own purpose’ and ‘other’ research (where the government is not the end-user) is supported, though this may need to be phased in
as it could be difficult to analyse retrospectively. As an alternative, government (own purpose) research could be included in Category 3 as an industry sub-category.

Proposal 2  Changes to Category 3

The proposal to remove HDR fee income from the HERDC is supported for the reasons provided in the consultation paper. However, as noted in our response to question 4, there may be value, in terms of program monitoring and evaluation, in collecting data such as the number of HDR students in receipt of financial support from third parties including Australian and international industry and entities other than DET, as well as the total value of the support provided by these entities. For example, if an industry partner agrees to fund tuition costs and/or provide scholarship support for a student, this is arguably a strong indicator of engagement.

The proposed amendments to the sub-categories in Category 3 to enable the identification of funding from different types of research end-users (industry, non-profit) and philanthropy is supported.

Recommendation 9
Given the highly competitive nature of international competitive grants (run predominantly by government or intergovernmental funding councils) we also recommend that consideration is given to moving these from HERDC Specifications Category 3 to Category 1.

Proposal 3  Changes to Category 4

The proposed changes to Category 4 to require the separate reporting of income for CRCs received from industry organisations and to introduce an ‘Other’ sub-category to capture income from other non-HEP sources of funding are supported.

Subject to the CRC Association endorsing the proposed shift to calendar year reporting of CRC income in the HERDC, we support this move. However, with CRCs currently reporting on a financial year basis it may not be feasible for HEPs to reconcile the data with 100% accuracy unless CRCs shift to calendar year financial reporting.

Ends/

July 2016