Dear Anne,

University of Sydney Response to the 2010 Review of the Australian Competitive Grants Register.

Thank you for the opportunity to provide comment on the Review of the Australian Competitive Grant Register (ACGR). In providing these comments we note that the Group of Eight has contributed to the Review both through representation on the ACGR Committee and the Higher Education Research Data Advisory Committee.

We note that the main reason given in the Discussion Paper for the proposed rationalisation of the ACGR is to streamline and improve its administration for the benefit of the sector, DIISR and scheme administrators. While administrative efficiency is undoubtedly an important consideration, in our view this must always be balanced with ensuring that the register delivers on the policy intent which underpins it. While we support most of the proposed reforms, we feel that further discussion is required around the proposed increase in the threshold for inclusion on the register for non-Commonwealth funding bodies from $200,000 to $2,000,000 annually.

As the Discussion Paper notes, the ACGR has assumed even greater significance since the establishment of the SRE. Institutional performance under the ACGR will remain a driver of SRE funding even if ERA performance is given a greater role at some point in the future. We therefore offer our support for the comments contained in the Go8 response regarding the need for greater clarity about the policy rationale that will underpin the ACGR and the HERDC more broadly.

The ACGR is used by institutions to organise their internal funding allocations and overhead charging policies, and is also relied upon as an indicator of research quality. For example, at this University we seek to recover an overheads charge from all non-Category 1 (ACGR) research grants on the basis that the University receives block funding support from the Commonwealth only to meet some of the indirect costs of ACGR grants.
Removing small schemes from the ACGR as proposed by the Review may result in Sydney having to charge overheads for these schemes in order to achieve policy consistency, or alternatively to consider making exceptions in certain cases. Our dilemma is that many of the schemes that it is proposed should be removed from the ACGR, particularly those run by charitable non-government bodies such as foundations, currently exclude institutional overheads and do not have the capacity to fund these costs.

We are concerned that as a result of the proposed changes these small, but nevertheless important niche schemes, may divert funding away from Australian university-based research. Alternatively, pressure will be placed on universities to effectively cross-subsidise such schemes by waiving their indirect cost charges. If this occurs, then the benefits of any administrative efficiencies achieved as a result of the proposed changes to the ACGR, could be outweighed by the additional administrative and funding burden that is incurred by the University. We therefore feel that there is a need for DIISR to discuss these issues with the sector further before finalising any changes to the HERDC.

Despite these reservations, however, we acknowledge the Department’s desire to reduce administrative complexity of the ACGR. Our responses to the specific proposals are summarised in the attachment.

I look forward to discussing these and other issues with you when you visit the University in August.

Yours sincerely

[Signature]

Professor Jill Trewhella
Deputy Vice Chancellor (Research)
University of Sydney Response to the 2010 Review of the Australian Competitive Grants Register.

Recommendations for Changes to ACGR selection criteria:

That scheme managers be required to provide more detailed evidence:
  (i) that their schemes are competitive and advertised nationally (6.1.1); and
  (ii) of the selection mechanisms and processes utilised including names panel members and bona fides of the chair (6.1.2)

*University Comment:* *We support the above proposals.*

  (iii) lifting the threshold on non-government grants to $2,000,000 pa (6.1.3)

*University Comment:* *We refer to our concerns above and reserve opinion pending further discussion of the policy rationale behind this proposal and its possible implications for important small high quality schemes.*

Recommendations for changes to ACGR administration:

- Schemes should be allowed to register for the duration of their funding on the ACGR up to a maximum of 5 years. (6.2.1)
- The listing of lapsed schemes whilst they are still dispersing funding would ensure that the universities could continue to claim competitive research income after the scheme has lapsed or terminated (6.2.2)
- Draft ACGR list to be circulated to universities prior to finalisation so that universities can ensure that any schemes that may have been omitted apply for listing on the ACGR before it is finalised. (6.3.1)
- ACGR is released within the first two months of the calendar year for schemes that will disperse funding in that calendar year (6.3.2).

*University Comment:* *We support the above proposals. They clearly improve efficiency in the maintenance of the ACGR, minimise the risks of schemes inadvertently failing to register, provide a safety net where schemes are ruled ineligible, provide capacity for planning HERDC reporting, and managing allocation/overheads within universities.*