

Big Picture July 2008

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If the plethora of reviews affecting the higher education sector achieves nothing else, the reforming of research funding will be enough. Surely the penny must drop that Australia's research performance, creditable though it is, suffers mightily under a ridiculously parsimonious and short-sighted funding regime.

Winning prestigious national competitive grants is highly desirable. However, such grants do not fund the key researchers themselves or all infrastructure needed to underpin the research. Vice-Chancellors anxious to support and strengthen research profiles struggle to find the salaries of key research-only staff from other sources.

Research salaries can be gleaned by engaging in more contract research for business and industry, service agencies *et al.* In Australia, however, most universities do not charge appropriate overheads to industry so universities are effectively subsidising industrially-sponsored research. Contract research run in parallel with competitive grants has the upside of fostering technology transfer but the downside risk of further diluting the time of the key researchers – diverting them away from the more theoretical, blue sky end of the research spectrum where their best work potentially lies.

Even worse, Vice-Chancellors, at their wits end, will sanction Deans and Heads of School to carve off teaching and learning funding to carry the salaries of principal researchers from within the returns meant for students. Of course, cross subsidy is always part of a Vice-Chancellor's financial armoury, but it is ironic that students may wind up paying the salaries of researchers.

Philanthropy and sponsorship can close the research funding gap somewhat. But in Australia the tax breaks and culture of contributing in this way are still embryonic.

What to do? It's quite simple really. Fund the full cost of research. Re-gear national competitive grants so they fund the salary of the principal researchers for their time on the project plus a fair proportion of infrastructure costs. Or increase the pool available for block grant returns so that overheads are fully off-set. It is worth noting that the UK now provides 80 per cent of the full economic cost of competitive grants.

There is a danger however. Ministers may agree to full funding, but within the same funding quantum. Fewer grants with better project funding will please those who continue to be supported. But lowering the grant success strike rate will devastate the research community. The only real solution is to up the ante on national competitive research funding generally. Australia is badly underdone anyway.

We are now at the point where winning high prestige, national competitive grants to conduct research is becoming an unbearable burden on the finances of our universities.

There is a whisper in the sector that Minister Kim Carr is thinking seriously about fully funding research overheads for national competitive grants. In the midst of reviewing the sector, Bradley et al. should actively encourage this.

Daryl Le Grew