

The Australian Business Deans Council (ABDC)

Response to “Consultation paper on options for the inclusion of ERA in SRE funding allocation model”

The ABDC notes the aim for the Consultation Paper which is to consult on various proposed models, which will use the results of Transparent Costing (TC) and the ERA to modify the allocation of Threshold 2 of the SRE funding to Universities.

The use of the TC within the model will provide a way to fund Universities for the indirect costs of ACG research. The use of the ERA outcomes will allow the SRE to reward research excellence and provide incentives to continue to focus on research excellence.

In considering the proposed models, the ABDC believes that it is important to consider any unintended outcomes or perverse incentives that may flow from any design choices, particularly within Universities.

Please find below our response to the Consultation Questions.

Question 1: Relative balance between cost and excellence?

Response: We agree with the suggestion that giving cost and excellence an equal weighting in the allocation of Threshold 2 SRE funding is appropriate.

Question 2: Two pools or a single line formula

Response: We recommend using of two separate pools. If a single line formula is used, because of the different scales used for TC and the ERA outcomes, the ERA result will dominate the funding and the impact of different TC results will be minimal.

Question 3: Different eligibility thresholds for different pools

Response: The ABDC does not have a strong preference for having different eligibility thresholds for the two pools.

Question 4: Which ERA ratings should be applied

Response: To achieve the aim to reward research excellent only ERA ratings of 3, 4 or 5 should be considered. We strongly support the use of 4-digit FoR evaluations as any higher aggregation is likely to mask excellent performance and not recognise diversity across universities.

Question 5: Should weightings be applied to ERA ratings when creating an ERA index

Response: The equal weighting scheme does not recognise research excellence, so a linear weighting should be used. The Linear examples 1 or 2 would seem to be appropriate. The Stepwise examples may lead to extreme differences in funding which do not appear justified, especially as there are marginal differences in some cases between an ERA score of a “high 4” compared to a “low 5”.

Question 6: Applying a volume measure – choosing a model.

Response: The ABDC has concerns with all of the proposed volume measures and models. While we appreciate that the Consultation Paper evaluates the models in terms of any size bias, or against universities that have many or few FoRs, we suggest that the lack of

consideration of different publication practices/ norms associated with different disciplines should also be considered.

Model 3 seems to be the best of the proposed models, as it uses the ERA outcomes of 3, 4 and 5 to identify the “excellent” outputs within a University. The ERA ratings are relative to their disciplines so this model does not suffer from any between-discipline biases. However, we suggest that the volume measure 4, within model 3, needs to be adjusted.

The ABDC believes that the proposed volume measure may create incentives within Universities to focus rightly on research quality and excellence, but to also favour disciplines which have a “norm” of high volumes of publications and thereby encouraging a quantity drive. Within a University, humanities and social sciences areas (including business subject areas) have quite different publication and income generating profiles to many of the science areas. The focus of the proposed volume measures has the potential to “devalue” the efforts of these disciplines, which could encourage University management to invest less in humanities and social sciences compared to science-based areas.

We argue that a scaling measure be implemented that avoids bias against excellence in areas that have relatively low numbers of assessable units of output. The ERA assessment itself does this by using expert panels who assess relative to discipline norms, and so it would seem appropriate to simply assess an institution overall on the proportion of assessed areas that are at a certain level (say, 3 or above) rather than to try and further scale the measure by output counts that not only attempt to recognize scale variation in universities, but also reward excellence in high output count areas relative to those with lower counts.

ABOUT THE ABDC

The Australian Business Deans Council (ABDC) is a national council comprising Deans, Heads and Directors of Australian University business faculties and schools. The Council seeks to advance and promote business education and research and does this through collective representation of business faculties and schools and their needs to government, industry and the community. The ABDC is particularly concerned to improve business education through curriculum development, and forging strong relationships with the business community and liaison with government. The Council also advocates research and development activity to enhance understanding of business and the key drivers of economic activity and is interested in how to achieve greater investment in the commercialisation end of science and innovation. The ABDC endeavours to retain Australian business education's leading position by keeping abreast of issues of quality assurance and accreditation activities worldwide. Active links are maintained with organisations such as the Association to Advance Collegiate Schools of Business (AACSB) and the European Foundation for Management Development which manages the European Quality Improvement System (EQUIS).