

**Deputy Chair**

Secretariat  
House of Representatives Standing Committee on Education, Employment and Training  
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Parliament House  
CANBERRA ACT 2600

Email: [ee.reps@aph.gov.au](mailto:ee.reps@aph.gov.au)

**Re: ISA submission to the Inquiry into Funding Australia's Research**

Dear Secretariat

I am providing this submission on behalf of Innovation and Science Australia (ISA). ISA was established by the Australian Government as an independent statutory board with responsibility for providing strategic whole-of-government advice on all science, research and innovation matters. This advice included development of a strategic plan for the Australian innovation, science and research system to 2030 - *Australia 2030: prosperity through innovation* [the 2030 Plan] which was publicly released on 30 January 2018<sup>1</sup> and responded to by the Australian Government on 22 May 2018<sup>2</sup>.

In response to the terms of reference raised by your inquiry, I offer the following observations on behalf of ISA.

**1) The diversity, fragmentation and efficiency of research investment across the Australian Government, including the range of programs, guidelines and methods of assessment of grants;**

A diversity of focuses and approaches is an essential component to any successful innovation, science and research system. In Australia, the Australian Government supports a diversity of research activities that serves a variety of purposes and end users. It is essential that this support include the basic and applied research of publicly funded research agencies and universities regardless of their primary focus (i.e. research-intensive versus applied outcomes in local contexts).

Frequent changes to the policy environment, where those policies are effective, can cause disruption to innovation and research agendas and lead to inefficiencies in the system. Longer term policy and investment settings are important and enable researchers and their institutions to focus on delivering outcomes.

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<sup>1</sup> Innovation and Science Australia (2018) *Australia 2030: prosperity through innovation*, [www.industry.gov.au/isa](http://www.industry.gov.au/isa)

<sup>2</sup> <https://industry.gov.au/innovation/InnovationPolicy/Pages/Government-Response-to-2030.aspx>

**2) The process and administrative role undertaken by research institutions, in particular universities, in developing and managing applications for research funding;**

ISA applauds the changes made by the National Health and Medical Research Council (NHMRC) following the structural review of its grant program. The Review demonstrated a commitment to genuine consultation and new ideas. It resulted in new approaches to valuing and encouraging creativity and innovative research while streamlining the experience for researchers and grant administrators. ISA supports in principle the simplification of research granting processes across government building on the lessons of the NHMRC review process.

The administration of grants from within universities is a complex and necessarily internal process, and judgements on how best to streamline should be left to the university.

**3) The effectiveness and efficiency of operating a dual funding system for university research, namely competitive grants and performance-based block grants to cover systemic costs of research;**

ISA's 2030 Plan supports the Government's response to the Review of Research Policy and Funding Arrangements (the "Watt reforms"). These measures should be evaluated for effectiveness in due course, with options for further action recommended at that time, as they have only been introduced recently and are not yet fully implemented.

**4) Opportunities to maximise the impact of funding by ensuring optimal simplicity and efficiency for researchers and research institutions while prioritising delivery of national priorities and public benefit.**

ISA has a strong interest in improving the effectiveness and performance of Australia's innovation, science and research system. We support the accumulation of a longitudinal evidence base to guide policy development, achieve longer term impact and enable long-term program improvement.

It is important that a medium sized economy such as Australia targets its efforts strategically through effective programs. ISA welcomes the Government's recent commitment to establish long term funding for national research infrastructure. The 10 year investment in a Genomics Health Futures Mission and in the Great Barrier Reef restoration and adaptation R&D program are hallmark investments that provide greater long term clarity and certainty for the research sector, their partners and co-investors. This kind of approach should be considered for other areas of strategic priority in order to build critical mass and achieve a step-change in outcomes.

Thank you for the opportunity to comment.

Yours sincerely



Dr Alan Finkel AO  
Deputy Chair  
30 June 2018