Response to *venturousaustralia: building strength in innovation*

September 2008

The National University of Inland Australia
Charles Sturt University appreciates the opportunity to respond to *venturousaustralia: building strength in innovation*. This review, and its recommendations, are critically important for positioning Australia as a significant participant in and international contributor to innovation and the creation of new knowledge for the advancement of society. The world and Australia faces significant problems, challenges and issues and appropriate human capital and infrastructure resources need to be directed at addressing these issues within an integrated framework.

Charles Sturt University welcomes the report and its recommendations and is strongly supportive of its overall thrust and direction. The National Innovation System has to support excellence in research activities wherever they occur, be it in inland Australia, metropolitan cities or regional centres.

Charles Sturt University notes the Report’s strong support for the important role that universities play in the National Innovation System and understands that the University sector is not at the centre of the National Innovation System but is one player in the complex interaction of government, business, industry, other publicly funded research agencies and the public policy that supports and resources their innovation contributions.
 Fulld Funding Innovation and Research Projects in Universities

Full funding of research projects

Charles Sturt University strongly supports Recommendation 6.1 which advocates fully funding the costs of research activities through adjustments in funding to the block grants and competitive grant schemes, without compromising success rates. Charles Sturt University supports the recommendation of the Allen Consulting Group that Research Infrastructure Block Grants (RIBG) should be increased to 50% of Category 1 income to appropriately resource the indirect costs of research. Whilst the Allen Consulting Group Report makes no recommendation regarding how to fund the direct costs of research which includes the salary costs of the Chief Investigators, Charles Sturt University believes that the rules for the Australian Competitive Grants Schemes should be modified to allow for the salaries of Chief Investigators to be funded to a maximum of 30% of the overall project budget. This proposed rate is less than half of what the Allen Consulting Group reported as being the in-kind Chief Investigator salary support resourced by a University involved in their study. Under no circumstances, however, should the salary costs of University staff involved in research projects be funded by a reduction in, or a re-allocation of, funds provided to universities from other Government sources.

Charles Sturt University also strongly supports Recommendation 6.4 that funding to Publicly Funded Research Agencies (PFRAs) and the University research system should be increased, in the short term, to at least the proportion of GDP that was allocated to them in the mid 1990s and, in the longer term, to match investment levels in leading OECD economies. These increases are essential if Australia is to maintain its competitive position in a global economy dependent on innovation.
Use of ERA data to determine funding to Universities

Charles Sturt University strongly supports the ERA exercise, which is currently in its development phase but is some years away from the University sector having confidence in it as a robust mechanism for determining funding. Charles Sturt University is of the view that Australia cannot afford to fund second rate research and we therefore must have a robust, valid, and widely accepted mechanism to determine excellence in research. This mechanism, once accepted, should be used to determine the allocation of resources, broker national collaborative Research Centres and Networks, and to fund Research Higher Degree students.

Supporting new and emerging areas of research activity

Charles Sturt University notes that should the ERA as it is currently designed recognises excellence using past research activities and performance. Additional mechanisms need to be put in place to support universities to pursue emerging areas of potential research strength and to pursue and address significant problems when they arise.

Developing closer collaborative links between Researchers and Business and Industry

The University strongly supports the recommendations which highlight the need to strengthen relationships, collaborations and partnerships between business and industries, and University researchers. The report incentivises this from the business end by recommending tax incentives in the form of tax credits to companies to engage in collaborative Research and Development activities.

Charles Sturt University supports the expansion of the Enterprise Connect program, however, believes that universities should have similar incentives to engage with business and industry and to engage collaboratively in innovation. Universities could be allocated Block Grant funds on the basis on Category 2, 3 and 4 Income all which represent some engagement with Government, Business, Industry and the Professions.

Internationalising Innovation and Research Activities

Australia resources and produces between 2 and 3 percent of global innovation and new knowledge. Australia is small and must play to strengths by engaging more internationally. Charles Sturt University endorses the recommendations which aim to draw on international talent and collaborations to advance the nation’s innovation agenda. It supports changes to the immigration policies and the Early Career Researcher
Scheme which incorporates up to two years research experience in another country.

Charles Sturt University notes the Government’s initiatives to open APA Scholarships to international students and to enable international researchers to Co Chief Investigators on Australian Competitive Grants. Further, special recognition should be given to those Australian Researchers who attract competitive international research grants (like the NSF, NIS in the USA) to our shores.

Charles Sturt University strongly supports the recommendation regarding Open Access noting that its Academic Senate recently mandated that all manuscripts be placed on CRO (Charles Sturt University’s Institutional Repository) immediately they are accepted for publication in keeping with the contractual arrangement with the publisher.

**DEVELOPING HUMAN CAPITAL**

Research Higher Degree Students are critical to a vibrant and productive innovation system. They graduate into business, industry, professions, and academia with highly advanced skills in the creation of new knowledge. Appropriate resources, training, support and high quality supervision are critical to innovation. Charles Sturt University supports the Government’s initiative to double the number of APA scholarships and the recommendation in the report to increase the value of the Scholarship payments.

Charles Sturt University believes that the Cutler Review should also have recommended that each APA Scholarship be accompanied with an annual resource payment of approximately $3000 to cover the costs associated with the student’s project. Once ERA has been bedded down as a high quality effective mechanism for determining the quality of research by the 157 Fields of Research then Charles Sturt University would support that data being used to guide the allocation of funding for Research Higher Degree Students. Charles Sturt University supports the recommendation related to facilitating the entry of science and mathematics graduates into teaching.

Charles Sturt University reiterates the importance of the interaction of research and undergraduate and postgraduate teaching and the important role of graduates in stimulating innovation in industry as set out in its Submission.
ENHANCING AND MAINTAINING RESEARCH INFRASTRUCTURE

Charles Sturt University believes that Australia’s Innovation infrastructure is tired and in need of renewal. The findings of the Allen Consulting Group’s investigation of the full cost of research support this claim. The acceptance of the Allen Group recommendation regarding increasing RIBG to 50% will go some way to addressing this. Charles Sturt University supports the recommendation regarding the establishment of a National Research Infrastructure Committee to advise on strategic directions in funding national research infrastructure. It also supports the continuation of NCRIS for 10 years and the recommendation’s emphasis on supporting the Humanities, Arts and Social Sciences.

ALIGNMENT WITH THE NATIONAL INNOVATION PRIORITIES

Innovation and research activities must be aligned with national priorities. Charles Sturt University acknowledges that appropriate funding and resources need to be available to support the research that is needed to address significant problems and issues when they emerge especially if they have a marked impact on the society. The report notes food security, water, carbon emission reduction, climate change and the environment as significant challenges and strongly advocates for an integrated approach to forming research teams to address these issues.

In light of more recent international concerns regarding prudential financial management, ethics and corporate governance arising from the global credit crisis Charles Sturt University is of the view that these areas of innovation should be included in the national innovation priorities.

INNOVATION AND REGIONAL AUSTRALIA

Charles Sturt University strongly endorses the finding in the Report that innovation is vital to “... maintaining the ongoing growth, profitability and sustainability of Australia’s rural industries, especially in the face of increases in competition in domestic and international markets.” In particular, the University agrees with the need to reduce duplication of research activity through appropriate “... institutional consolidation to promote administrative efficiency and critical mass.” In its Submission to the Bradley Review of the Australian Higher Education System, Charles Sturt University put forward a model for University collaboration that is directed in part at reducing institutional duplication in rural and related research and extension as critical components of the innovation cycle.

While the University notes that observation in the Report that there is a lack of definitive evidence to support a correlation between geographic
proximity and innovation, it supports the Report’s conclusion that there is a need to improve the "... overall understanding of the rural innovation system .. to better align respective efforts and collaboration."

Charles Sturt University is of the view that investment in innovation must be consistent with broader Government principles of social inclusion and economic development. Of importance, regional Australia should not be excluded from the innovation agenda, nor should the innovative capabilities of regional Australia be overlooked in identifying priorities and approaches to the development of a National Innovation System.

Given the importance of addressing innovation in rural industries to Australia’s future prosperity, recognised by the Cutler Review, Charles Sturt University believes that the Government should undertake to urgent review rural and regional research and develop a clear strategy on innovation and research for regional Australia.