



Senator the Hon Simon Birmingham

Minister for Education and Training
Senator for South Australia

Our Ref Pdrld

Dr Andrew Laming MP
Chair
House of Representatives Standing Committee
on Education and Employment
Parliament House
Canberra ACT 2600

21 FEB 2018

Dear Dr Laming *Andrew,*

The Turnbull Government is investing \$12 billion into university research over the next four years through the Education and Training portfolio alone. This system supports our world class researchers allowing them to continue delivering the economic and social benefits necessary for our ongoing prosperity. The Government's National Innovation and Science Agenda has streamlined university research funding, incentivised industry collaboration, and provided ongoing operational funding for the National Collaborative Research Infrastructure Strategy.

In addition to \$3.6 billion in funding for university research in 2017-18, the Australian Government also provides \$6.7 billion for research through other portfolios. In total, \$10.3 billion is provided by Australian taxpayers to support research. This is on top of funding contributed to research through philanthropic and other means.

For every successful application for competitive research funding, researchers and their partners in universities, industry and the wider community, must spend significant time, energy and resources to apply, whilst significant taxpayer infrastructure is used in assessment processes to ensure research meets the highest standards. Around 80 per cent of applications are unsuccessful.

The Committee is well placed to further Australia's significant research achievements by assessing ways to simplify, streamline and improve funding arrangements.

I therefore write to refer to the Committee an inquiry into matters that ensure the funding of Australia's research system by the Australian Government is efficient, effective, coherent and streamlined to best support world class research, by considering:

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

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.

In considering these Terms of Reference, the Committee may wish to examine research funding models in comparable economies for policy designs that may apply to the Australian context.

I look forward to the Committee's consideration of this referral, and to receiving its recommendations.

Yours sincerely



Simon Birmingham