Dear Roger

Thank you for your letter of 2 April 2014 on the proposal to increase the proportion of PBRF funding allocated based on external research income (ERI). I submit the following on behalf of the University of Canterbury in answer to the three questions posed in your discussion document:

1. (a) No – in fact it will do the opposite. The proposal is to increase ERI at the expense of the QE component. The latter is clearly the measure of research quality in the PBRF assessment scheme and is proposed to be reduced. ERI is often confused with consulting thus the proposed change may increase perceptions of usefulness but not research quality.

(b) The proposed change from 15 to 20% ERI is too small to either influence perceptions of users or influence behaviours of researchers to any significant extent, however it does send the message about Government priorities which appear to favour relevance over quality.

2. No – there is already plenty of incentive to pursue ERI. This proposal will further reward those TEOs which are doing well rather than incentivise others to do better.

Securing ERI has its own dollar reward. The leverage bonus from PBRF is about 10% of the actual ERI, and the change from 15 to 20% will be a smaller percentage of that. It is a zero sum game. The more ERI one university gets the less PBRF funding everyone else gets. This may have a negative effect on collaboration.

3. (a) The main benefit is that it sends a message that getting connected with end-users and doing relevant research is becoming increasingly important relative to doing high quality research. This is also the main risk.

(b) The proposal increases the invisible public subsidy of private gains from business engagement with university-based research. This is a benefit or a loss depending on one’s perspective.
(c) It reduces the likelihood of New Zealand universities maintaining or increasing their international rankings which are driven not by ERI but by research quality assessed by publications, citations and peer esteem.

(d) To the extent international students recruitment is a function of rankings, the proposal reduces the likelihood of attracting international students especially postgraduates.

Thank you for the opportunity to comment.

Yours sincerely

Professor Steve Weaver
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