



University of Otago Feedback on Proposal to Change External Research Income Component of PBRF

The University of Otago has undertaken consultation with staff in relation to the proposal to change the weighting of the ERI component in the PBRF from 15-20%, with concomitant decrease in the Quality Evaluation (QE) component from 60-55%.

From a financial perspective, and as the data modelling shows, Otago would be marginally better off from the proposed change; however we note that the modelled change is less than 0.2% of our PBRF revenue and less than 0.02% of our total revenue so our main consideration in filing this response relates to the signals, incentives and changes in behavior that will result, both across the university and within particular discipline areas.

At a university level, given that Otago's stated research translation ambitions¹, including goals to increase external research funding, and particularly from end users and non-Government sources, the proposed change would give recognition in a minor way to this intent.

At disciplinary levels the effect of the change will be mixed, with increased incentives and rewards in applied disciplines that have more opportunity for external funding and reduced incentives and rewards in other areas. This will diminish, albeit in a minor way, the value that is put on research, scholarship and knowledge generation that make broader contributions to cultural and societal wellbeing, often but not exclusively in humanities and social science disciplines.

In reference to the three specific questions, we respond as follows:

1. Will increasing the proportion of PBRF income allocated based on ERI better value user-perspectives of research quality?

The question is a qualitative one that uses a quantitative analysis as a proxy measure. The ERI measure is not designed to capture quality but quantity of engagements and the financial transactions associated with them. Undoubtedly, the data might be interrogated further – for example repeat engagements might indicate satisfaction and hence 'quality' from an end-user perspective. However, that might also indicate lack of competition or better 'marketing'. Hence, the measure cannot answer an output question (quality) only an input question (end-user engagement).

¹ Outlined in our Strategic Direction 2020 document

2. Will the proposed change encourage tertiary education organisations to more actively seek additional research income and to what extent?

Given that ERI is an aggregate of individual effort which, in the QE component of the PBRF, accounts for 55 % of the overall score, the proposed change is minor and hence is likely to be, at best, a minimal incentive for individuals. We note again that the changes in incentives will be different for different disciplines, with this signaling that areas where opportunities for external funding are lower are seen to be of lower importance.

3. What are the potential benefits and risks associated with increasing the proportion of PBRF funding allocated on ERI, and decreasing the proportion of funding allocated through the Quality Evaluation?

Benefits

As stated above, there may be some slight increased awareness on the part of individuals, particularly in areas of research that have not traditionally sought external funding, that there is PBRF 'reward' for such research. For most parts of this University, which has a large Health Sciences and Sciences research cohort, this will be 'business as usual' and hence a very minor additional incentive for this behaviour.

Risks

There is some concern that this change will accelerate funding flows from research that requires minimal funding (such as that undertaken in the Humanities and some Social Science research) to that which requires substantial funding (Health Science and Sciences).

An additional concern is that weighting the source of government funded research income as less than that of non-government or overseas income will send mixed messages about the value of much public good and contract research for the government sector that feeds into public policy. A striking case of how public good funded research had immediate benefits to both public health and business bottom-lines was research undertaken at Otago in 2006 into the causes of campylobacter. This outbreak was undermining the \$75 million fresh chicken industry and putting over 800 people in hospital, causing in excess of 15,000 notified cases, and a further 100,000 non-notified cases. As a result of Otago public-good research, new regulation was put in place that subsequently reduced cases of campylobacter and saved about \$60 million in healthcare costs. Given the observed and potential savings to the NZ economy that accrue from this type of end-user focused research it seems counter-intuitive to weigh it as of less value than other types of research.

For further information in respect of this submission please contact

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