



Australian Government
Department of Education

Calculation of Research Support Program allocations

This document is a practical guide on the calculation of Research Support Program funding for the 2022 to 2026 grant years





With the exception of the Commonwealth Coat of Arms, the Department's logo, any material protected by a trade mark and where otherwise noted all material presented in this document is provided under a [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/) (https://creativecommons.org/licenses/by/4.0/) licence.

The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the [CC BY 4.0 International](https://creativecommons.org/licenses/by/4.0/legalcode) (https://creativecommons.org/licenses/by/4.0/legalcode)

The document must be attributed as the (Calculation of Research Support Program allocations).

Contents

Overview	4
Data used	5
R&D income	5
Funding pools	5
Funding drivers	5
Part 1: Calculating a HEP's share by funding driver	6
Calculation steps	6
Worked example	6
Part 2: Calculating a HEP's RSP grant amount	7
Calculation steps	7
Worked example	7
Part 3: Applying rounding to calculate a HEP's RSP grant amount	8
Calculation steps	8
Worked example	8

Overview

For the 2022 to 2026 grant years, funding for the Research Support Program (RSP) is allocated to eligible Higher Education Providers (HEPs) based on their relative performance in earning research and development (R&D) income over the 2 most recent years of data available.

The funding formula to calculate the RSP is set by the [Other Grants Guidelines \(Research\) 2017](#) (OGG). The purpose of this document is to provide a practical guide with examples of how the RSP funding is calculated and allocated to HEPs.

The calculation of RSP can be broken down to the following parts:

1. Calculating a HEP's share by funding driver
2. Calculating a HEP's grant amount
3. Applying the rounding methodology

Data used

R&D income

R&D income is collected as part of the [Higher Education Research Data Collection](#) (HERDC) and comprises 2 categories for the purposes of calculating RSP:

1. **Competitive income** – R&D income classified as Category 1 in HERDC
2. **Engagement income** – R&D income classified as Categories 2, 3 and 4 in HERDC.

The 2 most recent years of available R&D income is summed together. For example, when calculating the 2026 RSP, the 2023 and 2024 data years collected through HERDC is used to calculate the competitive income and engagement income for each HEP.

A time series of [R&D income](#) used to calculate RSP funding is available.

Funding pools

RSP funding is distributed to HEPs from a fixed funding pool. The funding pools for the RSP from 2022 to 2026 are listed below:

- 2022 = \$934,828,015
- 2023 = \$967,546,995
- 2024 = \$1,043,015,660
- 2025 = \$1,085,779,304
- 2026 = \$1,112,118,056

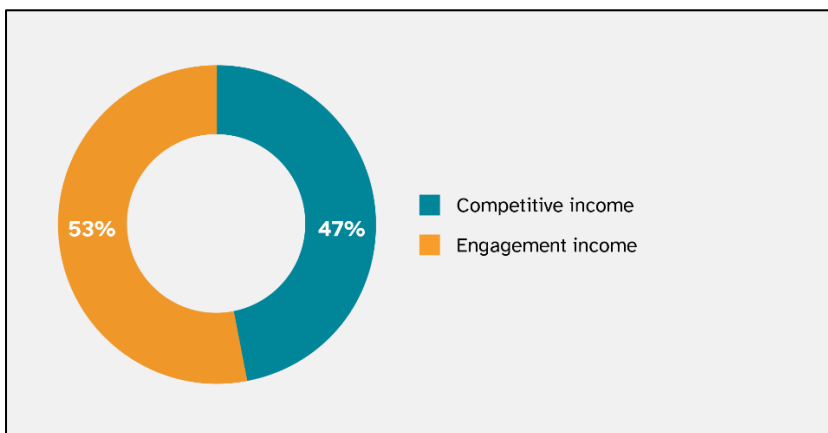
Funding drivers

RSP grant amounts are allocated based on a HEPs share of each funding driver relative to other HEPs. Each funding driver accounts for a proportion of the overall RSP funding pool.

The RSP is comprised of 2 funding drivers:

1. **Competitive income** – 47% of the RSP funding pool
2. **Engagement income** – 53% of the RSP funding pool

Figure 1: Proportion of RSP funding pool allocation by funding driver



Part 1: Calculating a HEP's share by funding driver

Calculation steps

Step 1: Calculating a HEPs competitive income share

A HEP's competitive income share is calculated by the sum of that HEP's Category 1 income for the 2 most recent years divided by the sum of Category 1 income for all eligible HEPs for the 2 most recent years of data. For example, if the grant year is 2026, Category 1 income data from 2023 and 2024 (the 2 most recent years) will be used to calculate the share.

Step 2: Calculating a HEPs engagement income share

A HEP's engagement income share is calculated by the sum of that HEP's Category 2, 3 and 4 income for the 2 most recent years divided by the sum of Category 2, 3 and 4 income for all eligible HEPs for the 2 most recent years of data.

Worked example

Where the HEP has R&D income in the 2 most recent years comprising:

- Competitive income: \$36,000,000 and \$44,000,000
- Engagement income: \$30,000,000 and \$40,000,000

And the total R&D income for all eligible HEPs in the 2 most recent years is:

- Competitive income: \$1,900,000,000 and \$2,100,000,000
- Engagement income: \$3,400,000,000 and \$3,600,000,000

Step 1 – Calculate the HEP's competitive income share

$$= \frac{(\$36,000,000 + \$44,000,000)}{(\$1,900,000,000 + \$2,100,000,000)}$$

$$= \frac{\$80,000,000}{\$4,000,000,000}$$

$$= 2\% \text{ share}$$

Step 2 – Calculate the HEP's engagement income share

$$= \frac{(\$30,000,000 + \$40,000,000)}{(\$3,400,000,000 + \$3,600,000,000)}$$

$$= \frac{\$70,000,000}{\$7,000,000,000}$$

$$= 1\% \text{ share}$$

Part 2: Calculating a HEP's RSP grant amount

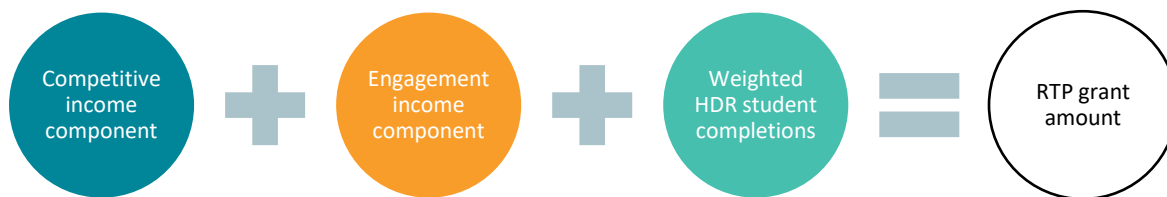
Calculation steps

Step 1 – A HEP's competitive income component is calculated by multiplying 47% of the RSP funding pool by the HEP's share of competitive income.

Step 2 – A HEP's engagement income component is calculated by multiplying 53% of the RSP funding pool by the HEP's share of engagement income.

Step 3 – These 2 amounts are added together to determine a HEP's RSP grant amount.

Equation 1: Calculating a HEP's RSP grant amount



Worked example

Step 1 – Calculate the HEP's competitive income component where the total RSP funding pool is \$1,000,000,000

$$= 47\% \times \$1,000,000,000 \times \text{competitive income share}$$

$$= 47\% \times \$1,000,000,000 \times 2\%$$

$$= \$470,000,000 \times 2\%$$

$$= \$9,400,000$$

Step 2 – Calculate the HEP's engagement income component where the total RSP funding pool is \$1,000,000,000

$$= 53\% \times \$1,000,000,000 \times \text{engagement income share}$$

$$= 53\% \times \$1,000,000,000 \times 1\%$$

$$= \$530,000,000 \times 1\%$$

$$= \$5,300,000$$

Step 3 – Calculate the HEP's RSP grant amount

$$= \$9,400,000 + \$5,300,000$$

$$= \$14,700,000$$

Part 3: Applying rounding to calculate a HEP's RSP grant amount

Calculation steps

Step 1 – The RSP grant amount for each HEP is rounded down to the nearest dollar.

Step 2 – The rounded down RSP grant amount is subtracted from the unrounded RSP grant amount. The difference in cents between a HEP's rounded down and unrounded RSP grant amount is its remainder. The sum of all remainders is the unallocated dollars.

Step 3 – Each HEP is ranked in descending order based on their remainder's closeness to 100 cents.

Step 4 – One dollar is assigned to each HEP's rounded RSP grant amount in order of ranking until all unallocated dollars are exhausted. Each HEP's RSP grant amount is equal to the rounded down RSP grant amount plus any whole dollars.

Worked example

Where there are 3 HEPs with the following RSP grant amounts:

- HEP A: \$8,250,000.61
- HEP B: \$7,500,000.92
- HEP C: \$5,750,000.47
- *Total: \$21,500,002.00*

Step 1 – Round the RSP grant amount for each HEP down to the nearest dollar.

- HEP A: \$8,250,000.61 rounds down to \$8,250,000
- HEP B: \$7,500,000.92 rounds down to \$7,500,000
- HEP C: \$5,750,000.47 rounds down to \$5,750,000
- *Rounded down total: \$21,500,000.00*

Step 2 – Subtract the rounded down RSP grant amount from the unrounded RSP grant amount. The sum of all remainders is the unallocated dollars.

- HEP A: $\$8,250,000.61 - \$8,250,000 = 0.61$
- HEP B: $\$7,500,000.92 - \$7,500,000 = 0.92$
- HEP C: $\$5,750,000.47 - \$5,750,000 = 0.47$
- *Unallocated dollars: $(0.61 + 0.92 + 0.47) = 2.00$*

Step 3 – Rank HEPs in descending order based on their remainder's closeness to 100 cents.

- HEP B: 92 cents
- HEP A: 61 cents
- HEP C: 47 cents

Step 4 – Assign one dollar to each HEP's rounded RSP grant amount in order of ranking until all unallocated dollars are exhausted. Calculate each HEP's RSP grant amount by adding the rounded down RSP grant amount and any whole dollars assigned.

Assigned dollar:

- HEP B: \$1
- HEP A: \$1
- HEP C: \$0

Final RSP grant amount:

- HEP A: $\$8,250,000 + \$1 = \$8,250,001.00$
- HEP B: $\$7,500,000 + \$1 = \$7,500,001.00$
- HEP C: $\$5,750,000 + \$0 = \$5,750,000.00$
- *Total:* $\$21,500,002.00$