



## **Australian Government**

Australian Government response to:

*Trusting Australia's Ability: Review of the Australian Research  
Council Act 2001*

AUGUST 2023

## **Message from the Hon Jason Clare MP, Minister for Education**

Australia is home to some of the most brilliant researchers and the most cutting-edge research in the world.

And the Australian Research Council (ARC) plays a fundamental role in supporting, shaping and sustaining that research.

The work of the ARC is vital, but it needs reform to ensure it is set up for the future.

That's why in August 2022, I appointed Professor Margaret Sheil AO (Panel Chair), Professor Susan Dodds and Professor Mark Hutchinson to oversee an independent review of the *Australian Research Council Act 2001*.

This was the first comprehensive review of the ARC and its enabling legislation since its inception in 2001.

I asked the panel to consider the role and purpose of the ARC within the university research system so it can meet current and future needs, how the ARC's legislation can be refined to provide clarity on its objectives and processes, and whether the scope of the current legislation was sufficient to support an effective and efficient university research system.

On 20 April 2023, the panel's final report – *Trusting Australia's Ability: Review of the Australian Research Council Act 2001* – was publicly released, and included ten recommendations which aim to:

- provide greater clarity of the contemporary role and purpose of the ARC through its enabling legislation
- advance support for Indigenous Australian academics through better consultation and additional fellowships
- strengthen governance by establishing an ARC Board
- reduce legislative burden and increase accounting flexibility through the ARC Endowment Account
- reform the evaluation of research excellence and impact.

The Government has agreed or agreed in principle to all the panel's recommendations.

I thank Professor Sheil, Professor Dodds and Professor Hutchinson for overseeing this important review, and all stakeholders who gave their time to contribute.

**The Hon Jason Clare MP**  
Minister for Education

## **Review of the Australian Research Council Act 2001**

### ***Overview***

On 30 August 2022, the Hon Jason Clare MP, Minister for Education, announced the *Review of the Australian Research Council Act 2001* (ARC Review) to consider the role and purpose of the ARC within the university research system so it can meet current and future needs.

The Hon Jason Clare MP appointed an independent three-person panel to oversee the review:

1. Professor Margaret Sheil AO (Panel Chair), Vice-Chancellor and President, Queensland University of Technology
2. Professor Susan Dodds, Senior Deputy Vice-Chancellor and Vice President (Research & Industry Engagement), La Trobe University
3. Professor Mark Hutchinson, Director of the Centre for Nanoscale BioPhotonics, University of Adelaide.

A total of 223 public submissions were received in response to the review consultation paper. Targeted meetings and focus groups were also held with diverse stakeholders across the research ecosystem, including individuals, higher education providers, traditional knowledge owners, research organisations (national and international), industry groups, peak bodies and government.

The Final Report and public submissions to the Review were released on 20 April 2023 ([www.education.gov.au/higher-education-reviews-and-consultations/review-australian-research-council-act-2001](http://www.education.gov.au/higher-education-reviews-and-consultations/review-australian-research-council-act-2001)).

### ***Terms of Reference***

The Terms of Reference asked the panel to consider:

1. whether the role and purpose of the ARC as set out in the legislation remains relevant, including consideration of the contribution the ARC can make to identifying reforms to its programs to actively shape the research landscape in Australia and better align with comparable research agencies
2. the ARC governance model and management functions and structures to ensure they are contemporary, fit for purpose, and meet the needs of stakeholders
3. opportunities to improve the legislation to better facilitate globally competitive research and partnerships, reduce unnecessary administrative and legislative burden and increase agility
4. how the legislation could be revised to reflect the breadth of functions of the ARC and its evolution, including the measurement of the impact and excellence of Australian research and advise on contemporary best practice for modernising and leveraging these measures.

**Government response to the ARC Review recommendations**

Recommendation and summary	Full recommendation description	Government response and next steps
<p><b>1. Purpose of the National Competitive Grants Program</b></p> <p>Clarifying the purpose of the ARC to give a legislative basis for funding basic, strategic basic and applied research via the NCGP, to fund research that may have a positive impact on Indigenous Knowledge systems and Peoples.</p>	<p>We recommend the ARC Act be amended to give a stronger legislative basis for the purpose of the Australian Research Council (ARC) and clearer scope for the National Competitive Grants Program (NCGP) by specifying that:</p> <ul style="list-style-type: none"> <li>(i) the ARC provides funding through NCGP to support research in Australian universities and their partners</li> <li>(ii) the NCGP supports pure basic, strategic basic and applied research, but not experimental development</li> <li>(iii) the supports collaborative research that expands Indigenous knowledge systems and provides economic, commercial, environmental, social and/or cultural benefits for Australia</li> <li>(iv) the NCGP supports research in all academic disciplines except clinical health and medical and dental research</li> <li>(v) the NCGP supports universities to attract and retain academic researchers in response to changing needs and priorities.</li> </ul>	<p><b>Agreed.</b></p> <p>Amendments to the ARC Act will be introduced to clarify the purpose of the ARC and scope for the NCGP in funding basic, strategic basic and applied research.</p>

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<p><b>2. The National Research Landscape</b></p> <p>Giving a legislative basis and clarity to the role of the ARC in underpinning and shaping the national research landscape over and above the impact of the administration of the NCGP.</p>	<p>We recommend that the ARC Act be amended to provide a legislative basis for those functions through which the ARC actively shapes the research landscape over and above the impact from the NCGP.</p> <p>These include:</p> <ul style="list-style-type: none"> <li>• evaluation of the excellence, quality, and impact of research in Australian Universities</li> <li>• evaluation of the depth and capability of researchers in Australian universities, within and across disciplines</li> <li>• promoting and upholding research integrity</li> <li>• promoting ethical conduct of research</li> <li>• promoting accessibility of publications and research data</li> <li>• promoting excellence, equity, and diversity in Australian universities</li> <li>• supporting significant, long term research collaborations</li> <li>• partnering with other Government agencies that use ARC systems and processes to deliver peer-reviewed and other research grant programs.</li> </ul>	<p><b>Agreed.</b></p> <p>Amendments to the ARC Act will be introduced to clarify the role of the ARC in underpinning and shaping the national research landscape over and above the impact of the NCGP, including in relation to research integrity.</p>
<p><b>3. Fellowships and Academic Careers</b></p> <p>Giving further clarity and insight to the role and impact of the ARC in relationship to academic careers.</p>	<p>We recommend that:</p> <ol style="list-style-type: none"> <li>(i) the ARC Act be amended to include within the scope that the ARC assists Australian universities to attract and retain talented academics</li> <li>(ii) the ARC reviews and consults on the purpose and effectiveness Fellowships at different stages of academics' career including clarifying the different responsibilities of the ARC and universities</li> <li>(iii) notwithstanding (ii), the ARC give priority to reviewing the support and assessment criteria for early career fellowships prior to any further rounds</li> <li>(iv) the ARC review and simplifies the criteria used to assess research opportunities in respect to academic careers.</li> </ol>	<p><b>Agreed.</b></p> <p>The Minister for Education has requested the ARC commission this work.</p>

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<p><b>4. Advancing Indigenous Australians</b></p> <p>Advancing the support for Indigenous Australian academics through better consultation and additional fellowships. Separately the Panel heard the need to facilitate the engagement of Indigenous Community organisations as partners with universities in ARC Linkage programs.</p>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>(i) the ARC establishes a Designated Committee for engagement and consultation with Indigenous Australian academics and their research partners</li> <li>(ii) that the ARC develops as a high priority within the NCGP Discovery Fellowships for Aboriginal and Torres Strait Islander academics across the full career spectrum</li> <li>(iii) the ARC enhances opportunities within the NCGP for Indigenous Australian community organisations to participate in ARC Linkage Programs</li> <li>(iv) the ARC introduces two named Fellowships for leading Indigenous Researchers in the ARC Australian Laureate Fellow Scheme, modelled on and adapted from the Georgina Sweet and Kathleen Fitzpatrick Laureate Fellowships.</li> </ul>	<p><b>Agreed.</b></p> <p>The Minister for Education has requested the ARC commission this work.</p>

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<p><b>5. Alignment with comparable Research Agencies</b></p> <p>Aligning administration of the NCGP to comparable research agencies within Australia and internationally and in accordance with Commonwealth Guidelines for Grant Administration.</p>	<p>We recommend that the ARC Endowment Account be utilised to administer the NCGP with the following provisions:</p> <ul style="list-style-type: none"> <li>(i) a legislated purpose directs the Account to be used to make grants supporting basic, strategic basic and applied research across all areas of activity in Australian universities excluding clinical health, medicine, and dentistry</li> <li>(ii) that grants comply with Guidelines and total funding recommended by the Chief Executive Officer (CEO) and approved by the Minister in compliance with the provisions and requirements of the Commonwealth Grant Rules and Guidelines 2017</li> <li>(iii) grants recommended by the CEO may be approved by the Board when: <ul style="list-style-type: none"> <li>• the requirements under (i) and (ii) have been met</li> <li>• the recommendations have been informed by appropriate expert and peer review</li> <li>• the recommendations demonstrate the potential outcomes of the proposed research to the Australian community which may include enhanced research capability and advancement an academic discipline to the benefit of the Australian community</li> </ul> </li> <li>(iv) the obligations of the ARC (i.e. Board and CEO) in relation to national security and NCGP are transparent; and that provision is made over and above these so the Minister may direct the CEO to not fund or to recover funds from grants made under the NCGP if the Minister were to become aware of national security concerns in relation to the grant or proposal. In the event of such a direction, the Minister must notify Parliament, stating the reasons for the direction; and/or report to the Parliamentary Joint Committee on Intelligence and Security or its successor where the security concern precludes the Minister reporting the detail of such a direction to Parliament.</li> </ul>	<p><b>Agreed.</b></p> <p>Amendments to the ARC Act will be introduced to enable the ARC Endowment Account to be utilised to administer the NCGP, noting that requirements will be put in place to ensure that funds in the ARC Endowment Account be expended in the designated year of appropriation and purpose.</p>

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<p><b>6. ARC Board</b></p> <p>Strengthening the governance by establishing an ARC Board with responsibilities for appointment of the ARC CEO, the College of Experts and approvals of individual grants awarded under the NCGP in addition to supporting other functions of the Agency.</p>	<p>We recommend that:</p> <p>(i) the ARC Act be amended to enable the establishment of an Australian Research Council (ARC) Board with the following functions:</p> <ul style="list-style-type: none"> <li>• to appoint a Chief Executive Officer (CEO)</li> <li>• to provide advice to the CEO and the Minister on priorities, policies and strategies</li> <li>• to approve the appointment of the College of Experts</li> <li>• to establish and appoint members to other such committees as it deems beneficial for the effective functioning of the ARC</li> <li>• to approve recommendations for funding within the National Competitive Grants Program</li> <li>• to undertake any other functions as requested by the Minister</li> </ul> <p>(ii) the Board be appointed by the Minister and comprise:</p> <ul style="list-style-type: none"> <li>• a Chair, who is a prominent Australian, held in high regard by the universities and their partners in the research community</li> <li>• up to six other members with a combination of skills, experience, and perspectives relevant to the functions of the ARC across the spectrum of ARC disciplines, Aboriginal and Torres Strait Islander leadership, research administration and evaluation, and university industry partners</li> </ul> <p>(iii) the ARC CEO and Secretary of the Department (or delegate) would attend Board meetings to ensure coordination and communication with appropriate separation of advice to and from the Board and to the Minister.</p>	<p><b>Agreed.</b></p> <p>Amendments to the ARC Act will be introduced to enable the establishment and operation of an ARC Board as the accountable authority for the ARC.</p>



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<p><b>7. Appointment of the Chief Executive Officer</b></p> <p>Recommending new arrangements for the appointment and conditions of the CEO.</p>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>(i) the ARC legislation be amended to reflect that the ARC Chief Executive Officer (CEO) be appointed by the Board after consultation with the Minister in accordance with other Government requirements for the appointment of statutory office holders</li> <li>(ii) the Board must have regard to the research experience and standing in a relevant academic discipline in addition to a record in management when making such an appointment</li> <li>(iii) the CEO's terms of the appointment be aligned to the CSIRO CEO.</li> </ul>	<p><b>Agreed.</b></p> <p>Amendments to the ARC Act will be introduced to devolve the appointment process for the ARC Chief Executive Officer (CEO) to the ARC Board, in consultation with the Minister for Education and with Cabinet oversight, consistent with the requirement to comply with the Government policy for the merit appointment of statutory office holders.</p>
<p><b>8. Management and Consultation</b></p> <p>Encouraging the CEO and other academic expertise within the ARC to consult more directly with stakeholders, especially in relation to the impact of changes to grant guidelines.</p>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>(i) the ARC CEO work and the Secretary of the Department of Education review arrangements to achieve a balance of the senior academic expertise required by the ARC, <i>vis-a-vis</i> the Senior Executive Service (SES) appointments within the constraints of the ARC Departmental funding</li> <li>(ii) the ARC CEO and Academic Executive Directors be expected to engage in broad and direct consultation with the academic and research community; university research administrators; other government departments; and key stakeholders, when evaluating and adapting grant programs to ensure the original purpose remains relevant and that any changes are made with full consideration of the consequences.</li> </ul>	<p><b>Agreed.</b></p> <p>The Minister for Education has requested the ARC commission this work.</p>

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<p><b>9. Reduction of Legislative and Administrative Burden</b></p> <p>Reducing the legislative burden by simplifying the appropriation and indexation of funding, and adopting more streamlined, processes including two-stage application processes where possible.</p>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>(i) the Special Appropriation for the National Competitive Grants Program (NCGP) within the ARC Act be replaced with a provision for annual appropriation into the Australian Research Council (ARC) Research Endowment Account including an agreed formula for indexation of new grants and those that extend over multiple years</li> <li>(ii) the ARC Act be simplified to remove the provisions from legislation that relate to the split between Discovery and Linkage and that the commitment to funding pure basic, strategic basic and applied research be incorporated into the purposes of the NCGP Program in the ARC Act</li> <li>(iii) guidelines for the NCGP be simplified and streamlined to reflect international best practice with consideration of reducing the administrative burden on academic and research organisations through, for example, a two-step application process for rapid initial assessment of expressions of interest and eligibility criteria.</li> </ul>	<p><b>Agreed.</b></p> <p>Amendments to the ARC Act will be introduced to replace the current Special Appropriation arrangements with a more durable arrangement for managing the allocation of Administered funding, including an agreed formula for indexation.</p> <p>In addition, provisions to split funding commitments between ARC Discovery and Linkage Programs within NCGP will be removed.</p> <p><b>Recommendation 9(iii)</b> The Minister for Education has requested the ARC commission this work.</p>

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<p><b>10. Evaluation of Excellence and Impact</b></p> <p>Acknowledging that the ERA and Engagement and Impact (EI) initiatives have played a valuable and important role in raising the quality and relevance of research in Australian universities. These considerations have reaffirmed the important role the ARC should continue to play in evaluating excellence, impact and research capability within Australian universities but recognise those resources could be more effectively redeployed and utilised to guide the current and future design of the NCGP and the identification of future research priorities.</p>	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>(i) the role of the ARC in relation to evaluation of excellence, impact and research capability within Australian universities be re-affirmed by inclusion in the ARC Act</li> <li>(ii) the Excellence in Research for Australia (ERA) and Engagement and Impact (EI) exercises be discontinued</li> <li>(iii) the resourcing for evaluations be maintained so the ARC retains and internally recognised expert evaluation capability</li> <li>(iv) the ARC collaborates with TEQSA to develop assessment processes that enable TEQSA to draw on the expertise of the ARC to make decisions on the extent to which current and future higher education providers meet research provider standards</li> <li>(v) the ARC develops a framework for regular evaluation and reporting on the outcomes of the NCGP program over a timeframe that allows the full impact of research funding to be assessed and the public benefit explained</li> <li>(vi) the ARC develops a program to evaluate current and future research capabilities within Australian universities, giving priority in the first instance to the capability of Aboriginal and Torres Strait Islander researchers and research that impacts on Indigenous Australian communities.</li> </ul> <p>We <u>do not recommend</u> that ERA and EI be replaced by a metrics-based exercise because of the evidence that such metrics can be biased or inherently flawed in the absence of expert review and interpretation.</p>	<p><b>Agreed in principle.</b></p> <p>The Government agrees that evaluation of excellence, impact and research capability within Australian universities needs reform. The Government will not continue ERA and EI in their current form.</p> <p>Research remains a key element of all Australian universities, and reform of the performance measurement and management of university research is critical to ensure that the future contribution of universities is driven effectively.</p> <p>As such, the Minister for Education has requested the Australian Universities Accord Panel consider the recommendation on measuring impact and engagement in university research.</p> <p>Recommendations on a new model are to be provided to the Minister for Education for consideration alongside the Universities Accord Panel’s Final Report, due in December 2023.</p>