



Australian Government

Australian Government response to
recommendations from the Senate Education
and Employment Legislation Committee:

*Australian Research Council Amendment (Review
Response) Bill 2023 [Provisions] Report –
February 2024*

SEPTEMBER 2024

Overview

On 28 March 2024, the *Australian Research Council Amendment (Review Response) Bill 2023* (the Bill) received Royal Assent, following debate and agreement on a number of amendments in the Senate.

On 2 April 2024, the *Australian Research Council Amendment (Review Response) Act 2024* (the Amendment Act) was registered on the Federal Register of Legislation. The amendments to the *Australian Research Council Act 2001* (ARC Act) made by the Amendment Act commenced on 1 July 2024.

On 5 February 2024, the Senate Education and Employment Legislation Committee (the Committee) released its inquiry report on the Bill, including three dissenting recommendations by the Greens.

This submission responds to those dissenting recommendations.

Additional recommendations from Australian Greens Senators in Inquiry Report

Recommendation 1: Remove the Minister’s power to veto research funding for reasons related to ‘international relations’, and narrow the definition of ‘designated research program’, to reduce the risk of political interference.

Amendments in relation to this recommendation were moved by Senator Mehreen Faruqi (sheet 2394; 2395) and Senator David Pocock (sheet 2423; 2424; 2476) in the Senate and voted on.

Under the amended ARC Act, the Minister will have the power to not approve a grant, or to terminate funding to research grants, for reasons relevant to the security, defence or international relations of Australia. Use of the terms ‘security, defence or international relations of Australia’ ensures consistency with accepted definitions and references to those terms in other legislation, such as the *Security of Critical Infrastructure Act 2018* and the *Defence Trade Controls Act 2012*. Noting this, the amendments proposed by Senator Faruqi to remove the reference to ‘international relations’ throughout the Bill (sheet 2394) were not agreed to by the Government when voted on in the Senate.

The Minister will also retain powers to approve funding for nationally significant investments, defined as ‘designated research programs’. Their role is nationally significant in supporting research capability and include the Australian Research Council (ARC) Centres of Excellence, the Industrial Transformation Training Centres, and the Industrial Transformation Research Hubs. Noting the importance of these programs, the Government agreed to the amendments to the definition of ‘designated research program’ moved by Senator Pocock (sheet 2476) but did not agree to the amendments moved by Senator Faruqi (sheet 2395) or the other amendments proposed by Senator Pocock (sheet 2423; 2424).

In relation to the amendments to the definition of designated research programs, Senator Anthony Chisholm responded in the Senate:

'It is important that the Minister be able to specify projects as designated research programs to help build Australia's research capacity, but it is also important that the power be protected as much as possible from potential misuse in the future. The revised definition proposed by Senator Pocock adds to the existing protections requiring that the relevant program be nationally significant and requiring that the minister of the day be satisfied that the program will help build research capability.'

Senate Hansard, Monday 18 March 2024, p104

Recommendation 2: Significantly increase government funding for research and for the ARC, and improve job security for all researchers including those employed through ARC funding.

The Government understands the need for an appropriate approach to research investment. ARC funding was highlighted in the Inquiry Report as well as in debate on the Bill. This included inaccurate suggestions that the creation of a new ARC Board would reduce ARC research funding.

ARC Board costs will be met from existing resourcing within the ARC's current annual departmental budget, which was clearly stated in the Explanatory Memorandum to the Bill. Research grants under the National Competitive Grants Program are funded through administered funding and will not be impacted by Board operational costs.

The amended ARC Act replaces Special Appropriation arrangements for ARC's administered funding with Annual Appropriation arrangements, providing funding visibility for the sector.

Through the amendments to the ARC Act, the Government has also provided flexibility for the ARC to utilise its existing research endowment account for the purposes of funding research grants under the National Competitive Grants Program.

The Government recognises the important role the ARC plays in the broader public interest of supporting career pathways for Australian researchers. This important role has been elevated through the new object of the ARC Act which now makes clear that the ARC will be a national body to 'promote and conduct activities to shape and foster the Australian research landscape and community, including by supporting academic career pathways.'

Amendments moved by Senator Mehreen Faruqi (sheet 2468; 2398) in the Senate resulted in a number of enhancements to reporting on the nature of the employment of researchers for research projects in the ARC Act. For example, in relation to funding agreements the ARC Act requires that an organisation in receipt of a grant:

'...gives the CEO a report, after the end of the final period to which the grant relates, detailing the nature of the employment of researchers employed by the organisation for the purposes of the research project concerned.'

Additionally, the ARC's Annual Report must:

'... include information, in respect of each organisation receiving financial assistance under a funding agreement which ended or was terminated in that period, about the nature of the employment of researchers employed by the organisation for the purposes of a research project mentioned in the funding agreement.'

The Government supported these amendments – to help support job security of our researchers – without imposing an impossible mandate for the ARC when it is not the direct employer of those researchers. In relation to the amendments, Senator Anthony Chisholm responded:

'We see our research community flourish, and part of that is improving the attractiveness of academic research roles. The reporting requirements in Senator Faruqi's amendment will help underline that, so it is something the government will support.'

Senate Hansard, Monday 18 March 2024, p101

Recommendation 3: Ensure governance of research funding is democratic and representative.

The amended ARC Act establishes an ARC Board as the accountable authority of the ARC from 1 July 2024. This was recommended by the independent Review of the Australian Research Council Act 2001 to strengthen the independence and integrity of the ARC.

On 26 June 2024, the Hon Jason Clare MP announced the appointment of the new ARC Board:

- Professor Peter Shergold AC (Chair)
- Professor Susan Dodds FAHA (Deputy Chair)
- Distinguished Professor Maggie Walter
- Professor Cindy Shannon AM
- Professor Paul Wellings CBE
- Emeritus Professor Margaret Harding
- Mr Mark Stickells AM
- Ms Sally-Ann Williams FTSE.

The selection of the appointments was open and merit based, consistent with best practice, and meets the ARC Act requirements regarding the appointment of an Aboriginal or Torres Strait Islander person, and a regional, rural, and remote representative.

As a decision-making body, the Board will approve research grants under the National Competitive Grants Program, with appropriately qualified members who have substantial experience or expertise in one or more fields of research, or in the management of research.

The Board will also be supported by two key advisory committees to provide guidance and advice about ARC priorities and strategies – the ARC Advisory Committee with expertise across research, industry and governance; and a new ARC Indigenous Forum.

Peer review through the ARC's College of Experts will be the driving principle in grant approvals aimed at expanding our nation's knowledge base. Peer review is the accepted world standard for achieving quality in research grant outcomes.

To further strengthen the integrity of the ARC grant allocation process, under the amended ARC Act, funding rules will be disallowable legislative instruments, and open to the scrutiny of Parliament as a regular element of managing the ARC's funding.

These measures will ensure governance of research is fair and representative, based on democratic scrutiny and the decisions and advice of trusted experts.