

ARC Review Secretariat
Department of Education
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Dear ARC Review Secretariat

UA appreciates the ongoing engagement on the implementation of the ARC Review recommendations. Noting that we have had only a short amount of time to consult with members, below is an initial set of comments and concerns around the direction of implementation thus far.

As a general point, it must be noted that given the unequivocal Government response to *Trusting Australia's Ability: Review of the Australian Research Council Act 2001* (the Review) and the Minister's public comments UA expects that the recommendations will be implemented in full and in good faith.

UA notes that, in several critical areas, the discussion document provides less detail than the Review recommendations and Government response. It is unclear in such cases if omissions/changes in phrasing represent changes in policy or are merely the result of summarising key themes – making it difficult to be precise in our feedback. A clear remedy for this would be for the Department to undertake to provide (at an appropriate time) an Exposure Draft of legislative amendments for the consideration of the sector.

Role and Purpose

UA notes that critical elements relating to the role and purpose of the ARC recommended by the Review Panel are missing from the proposed amendment, and that legislative amendments should include recognition of the role that the ARC plays in evaluating research quality, impact and capability as well as supporting investigator-led research.

This appears to be a deliberate policy decision, noting the significant emphasis the Consultation Paper places on priority-based research. While the Review recommended the removal of legislative split between Discovery and Linkage funding, it did so while emphasising the importance of basic research and with the proviso that the Act "...include an explicit statement about the value such investigator-led basic research affords in underpinning the remainder of the research ecosystem".

ARC Board and CEO Appointment

UA welcomes the reiteration of the commitment to appointing a First Nations representative on the ARC Board. However, UA considers the Board/Governance changes articulated in the Consultation Paper to be completely at odds with the intent of the Review.

It is clear that the Review gave deep consideration to current arrangements (including the functions of the ARC Advisory Council) as well as to the specific governance requirements which stem from the ARC's particular purpose. As the Review notes:

"The overriding consideration is the establishment of the Board with the powers and functions above, not simply an enhanced advisory body"

Recommendation 6 read in context is completely unambiguous in requiring that members bring experience and perspectives spanning the spectrum of ARC funded disciplines and collaborating agencies, as well research administration and evaluation expertise and sufficient senior management and governance experience.

In UA's view, the Board as described in the Consultation Paper - which would defer much of this expertise to an ongoing ARC Advisory Committee with no decision-making powers - undermines the fundamental intent of this recommendation.

UA also notes that the Consultation Paper suggests a smaller Board than the Review – further limiting the ability to achieve the desired mix of skills and experience described above.

Similarly, the reference to the research experience and academic standing of potential CEO appointees has also been removed. There is also no reference to terms of appointment of a CEO - meaning that the Consultation Paper only appears to address 1 out of 3 components of Recommendation 7.

Funding Rules and Grant Approval

UA has concerns about the Consultation Paper's description of the funding rules approval process, which would see the Board merely providing advice to the Minister.

UA considers that a version of the current process should be retained – i.e. the CEO (or the Board in future) *prepares* the funding rules with the Minister's prerogative to a) approve, or b) request a new version based on specified concerns set out in writing.

UA is broadly comfortable with the notion of funding rules as disallowable legislative instruments.

UA welcomes that the Board will be responsible for approving NCGP grants and is broadly comfortable with the rationale provided for the Minister retaining the ability to approve funding for ARC Centres of Excellence and the Industrial Transformation Training Centres and Research Hubs, noting that any such Ministerial decisions should be informed by existing ARC application and assessment processes and made on the basis of the Board recommendations.

The apparent 'catch all' concerning the Minister retaining the ability to approve funding recommendations outside of the NCGP process is a significant source of concern and UA would welcome greater clarity on this point.

UA has long advocated for protecting the limited funding available for basic research. The apparent proposed changes to the funding rules in combination with the Minister retaining approval of funding for "national significant investments" would appear to allow significant scope for Ministerial carve outs which may further erode funding for investigator-led research.

Funding arrangements

The Consultation Paper flags the removal of the requirement for the Minister to split funding between different categories of research programs. UA acknowledges that the sector proposed this as part of the ARC Review consultation process. However as stated above, this was intended to be supported by a commitment to funding basic research along with an explicit statement about the value of such investigator-led research.

The Consultation Paper also omits any reference to the inclusion of an indexation formula within the ARC Act (Recommendation 9). The sector would welcome insight into the Department's thinking on how this might be implemented.

National security reporting

The Consultation Paper appears to omit a key transparency element which was proposed by the Review. Recommendation 5, clearly indicates that in the event of a Minister giving a funding direction on national security grounds the default process would be that they must notify parliament, stating the reasons for any such direction. **Only, if that level of public visibility is not in the national interest** (due to the nature of the security concerns), would the fall back be to notify (again, stating reasons) the Parliamentary Joint Committee on Intelligence and Security (PJCIS). The Consultation Paper fails to match this level of parliamentary scrutiny – only considering PJCIS and omitting the requirement to state reasons.

UA trusts that the legislation which ultimately goes before the Parliament will deliver on the vision of the ARC Review panel. UA and the university sector look forward to continuing to work with the Department to shape the implementation of these important reforms.