

6 November 2023

The University of Melbourne welcomes the opportunity to provide a response to the Department of Education's discussion paper on the proposed amendments to the *Australian Research Council Act 2001* (ARC Act). The Australian Government's acceptance of the expert panel's ten recommendations and move to enact the changes, taken with the commissioned reforms to the Australian Research Council's (ARC) grants application and assessment processes, represents significant progress towards a strengthened era of public research funding.

On the whole, legislative changes to the *ARC Act* proposed in the discussion paper will better enable and equip the ARC to undertake its independent, expert, and influential role as the leading national funding agency for non-medical research. However, we have some concerns and recommendations relating to the proposed approach to the approval of nationally significant research investments research grants.

To address concerns and ensure the clarity and good function of the amended *ARC Act*, the University suggests that the Department of Education release an exposure draft of the legislation for continued sectoral engagement.

New research funding arrangements 'outside' of the NCGP process

The discussion paper flags 'new ARC funding arrangements' in which the Minister for Education will have the ability to approve funding recommendations for nationally significant program investments 'outside of the NCGP process, when required'. While we appreciate the need for some division of authority over research investments to align with national imperatives, it is not clear in the discussion paper how this flexibility for government to undertake 'discrete strategic investment activity' (linked to ARC funding arrangements) will incorporate ARC processes, advice and oversight, nor the standard expectations and rigorous quality assurance of peer review through the College of Experts and the ARC Board.

A well-designed and administrated NCGP is able to provide dynamic and responsive research investments in the national interest. Government, supported by the ARC's Board and strategic and administrative functions, sets broader strategic goals and national programmatic priorities, which will be implemented and reflected in the grant application selection criteria and the College of Experts' assessment.

Without further information on processes and ARC funding arrangements for the outside-NCGP research investments, we are concerned that existing NCGP funds may be diverted by future Australian Governments into the non-NCGP research funding stream, which would deplete the NCGP to the deep detriment of Australia's research ecosystem and pipeline of discovery, innovation, and productivity.

Distinct approval across ARC schemes (ARC Board/Minister)

The establishment in the Act of an ARC Board that will have responsibility for approving ARC grants (amongst other key governance and strategic roles) is a welcome reform and was strongly supported in the independent review by the research sector and the expert panel. The quality, integrity, and good management of Australian research is intrinsically tied to the established system of peer review of research funding, a process whereby academic experts independently evaluate the quality, significance, and expected benefits of proposed research projects. Peer review ensures that decisions

about the merit of research proposals are led by specialists and subject to rigorous scrutiny and consideration from multiple perspectives.

The Department's discussion paper flags an intention to limit the ARC Board's approval authority to 'specific' ARC grants, with the exception of three major investment streams (ARC Centres of Excellence; Industrial Transformation Training Centres; Industrial Transformation Research Hubs). The University's view is that exempting these specific schemes from the ARC's approval (i.e. CEO and Board) and the underlying primacy of the peer review process in favour of Ministerial approval goes against the ethos of the *ARC Act* reforms and renews the pre-existing arrangements in which a political figure may overturn ARC grant recommendations.

Splitting the National Competitive Grants Program (NCGP) into two streams – those approved by the ARC Board (all individual research grants) and those approved by the Minister (nationally significant investments) – also establishes an unhelpful hierarchy amongst ARC schemes that could negatively affect researchers' trust and morale about the research funding system, and does not support the clear message of the Expert Panel that investments in public research through the highly competitive ARC schemes should be made and approved by the ARC Board informed by the rigorous processes of expert and peer review.

Transparency and disclosure of Ministerial intervention/disapproval

On the information provided in the discussion paper, there is no mention of amendments to underpin legislated transparency requirements in the instance that a Minister does not approve the ARC Board's recommendation for grants, such as in the three investment schemes in which the Minister may retain final authority. The University recommends the amendments should not continue the current situation in which there is no appeal process or disclosure requirements when a Ministerial disapproval (veto) has been exercised. In the outcome that the Ministerial approval of the grants is retained in the updated *ARC Act*, it should be accompanied by amendments that require parliamentary notification by the Minister within a stated timeframe after an intervention that vetoes the ARC's advice on an award.

Purpose of the ARC

The University endorses the intended clarifications to the purpose of the ARC. We suggest basic research should be given more explicit protections and weighting in the *ARC Act*, potentially through identification that a role of the ARC Board is to provide protective guardrails through its governing and advisory roles for the funding for basic research. This would protect the long-term viability and quality of publicly funded research in HASS fields, as well as technical and scientific fields including engineering, physics, maths, and computing, for whom the ARC is the only public funding body.

Terms of appointment

The University welcomes the establishment of the ARC Board and recommends the Act should state terms limits for the CEO and Executive Directors (e.g. 5 years). This would ensure that the ARC CEO and Executive Directors continue to reflect contemporary academic practices and remain connected to academic cultures.

For further discussion of these points, please contact Professor Mark Hargreaves, (Acting) Deputy Vice-Chancellor (Research), on dvc-research@unimelb.edu.au or 03 8344 3238.