



Australian Government
Australian Research Council

SUBMISSION BY THE AUSTRALIAN RESEARCH COUNCIL

***Inquiry for the Australian Research Council
Amendment (Ensuring Research
Independence) Bill 2018***

INTRODUCTION

The Australian Research Council (ARC) welcomes the opportunity to make a submission to the Education and Employment Legislation Committee's *Australian Research Council Amendment (Ensuring Research Independence) Bill 2018* (the Bill).

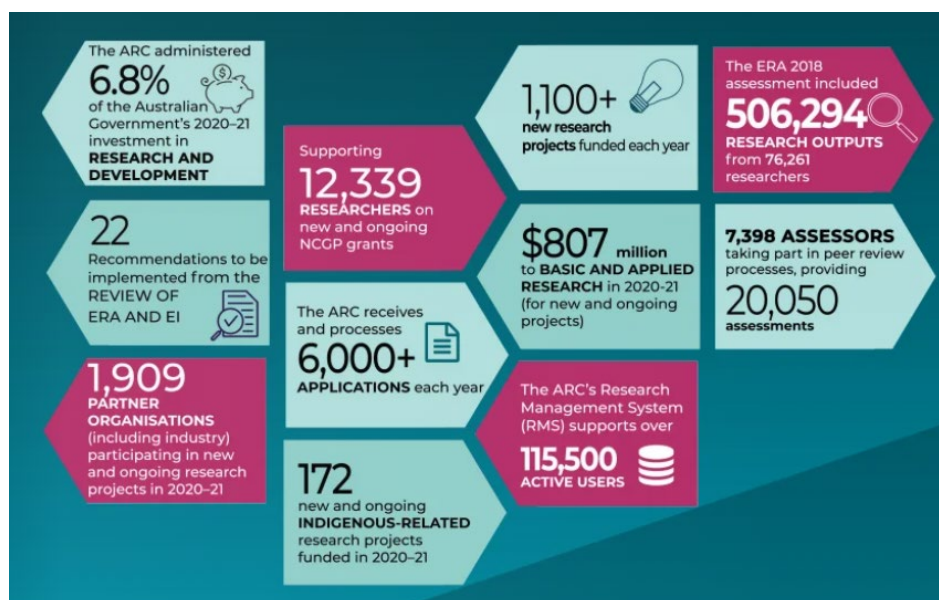
PURPOSE

The ARC has an integral role in supporting the Australian research sector to produce high quality and impactful research. Our programs support the university sector and around 2,000 industry and other partner organisations each year to deliver tens of thousands of research outputs that contribute national benefit to Australia. Since it was established in 2001, the ARC has awarded over \$13 billion to support around 30,000 unique research projects, large and small, across all disciplines except medical research. This includes 70 centres of excellence, over 200 laureate fellowships and around 1,800 future fellows.

Given Universities Australia found that, for every dollar invested in higher education research, five dollars is returned to GDP,¹ this equates to a return of almost \$70 billion to Australia's economy. ARC programs fund fundamental discovery, or blue-sky research, as well as collaborative applied research that facilitates linkages across universities and with industry. We are also the home of Australia's first and largest research evaluation exercise, encompassing the whole of Australia's higher education research output, Excellence in Research for Australia, or ERA.

In 2020-21, total National Competitive Grants Program funding was \$807 million this represents approximately 7 per cent of the Australian Government's investment in research and development.

The ARC is a non-corporate Commonwealth entity established under the *Australian Research Council Act 2001* (the ARC Act 2001). It funds the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters to grow knowledge and innovation for the benefit of the Australian community.



Australia is internationally recognised for its high-quality standard of research performance, both in terms research output quantity and quality. In 2020 Australia produced 3.3 per cent of the world's scholarly output, 5.4 per cent of the top 10 per cent most cited publications and 6.5 per cent of the top 1 per cent of most cited publications.²

¹ 7 May 2020, Universities Australia, 'Investing in University Research an Investment in the National Economy', [Investing in university research an investment in the national economy – Universities Australia](#), accessed 23 February 2022

² SciVal data on Australia's scholarly output

NATIONAL COMPETITIVE GRANTS PROGRAM

Ministerial Discretion

The ARC Act 2001 clearly states that the Minister is the decision maker in regard to all funding approvals.

- This discretionary power is supported by the *Commonwealth Grant Rules and Guidelines 2017*, Department of Finance information, and the *Public Governance, Performance and Accountability Act 2013*.
- There is no other legislated grants program where the Minister does not have discretionary power and in the exercise of that power could veto grants.

The Proposed Bill

As it is drafted, the Bill creates a requirement for the Minister to approve research grants recommended by the Chief Executive Officer (CEO), effectively making the Minister answerable to the CEO, weakening Parliament's oversight and removing Ministerial privilege.

The Bill appears therefore undermine the Minister's responsibility under the *Public Governance, Performance and Accountability Act 2013* (Section 71) to be satisfied that the proposed expenditure of relevant money is a 'proper' use of relevant money. This may need to be given further consideration.

The ARC is not aware of any legislation that requires a decision-maker (in this case the relevant Minister) to make an administrative decision in accordance with the views or recommendations of a third party. The ARC Act 2001 allows for Ministerial discretion in decision-making to ensure grant applications demonstrate value for Government funding.

The ARC Act 2001 outlines requirements for recommendation and approval of grants. This process has been in place, and unchanged, since 2001.

[Section 33 A and B](#) outline the requirements of the appointment and functions of the ARC CEO in providing recommendations to the Minister about grants. [Section 33 C](#) outlines how the Minister may direct the CEO about performance of CEO's functions.

[Section 51](#), subsection 1–2 details that the Minister may approve a proposal for expenditure, including the approved organisation and on a research program.

[Section 52](#) subsection 4 states – *In deciding what proposals to approve under subsection 51(1), the Minister may (but is not required to) rely solely on recommendations made by the CEO under subsection (1) of this section.*

[Section 53](#) outlines the requirements for recommendation of proposals that the ARC must comply with when providing recommendations to the Minister for grants.

If any applications are recommended to but not funded by the Minister, applicants are notified by the ARC. This process is consistent with the then Minister's statement dated 31 October 2018.
