



Committee Secretary
Senate Education and Employment Legislation Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

19 January 2024

Dear Committee Secretary,

The Innovative Research Universities (IRU) welcomes the opportunity to provide feedback on the provisions of the *Australian Research Council Amendment (Review Response) Bill 2023*.

The members of the IRU are comprehensive research universities spread across Australia, with a commitment to high-quality and multi-disciplinary research, and to research translation and impact that delivers benefit for our communities.

The Australian Research Council (ARC) plays a critical and unique role in the national research and innovation system, as the only funder of excellence-based basic and applied research across all non-medical disciplines.

The IRU has strongly supported the independent Review of the ARC and we agree that it is timely to implement amendments to the ARC Act, to set the organisation up for a stronger future. We warmly welcomed the Australian Government's commitment to implement all ten of the recommendations contained in the Review.

The IRU has previously made a [formal submission](#) to the ARC Review (December 2022) and [provided input](#) on the Consultation Paper on proposed changes to the ARC Act (November 2023). Those submissions contain our key recommendations for strengthening the governance, role and effectiveness of the ARC. We appreciate the provision of further detail on the proposed amendments to the ARC Act and the opportunity to provide feedback. We also appreciate the willingness of the Minister, Department and ARC to take on board constructive input from universities and researchers throughout this process.

Our key priorities through the Review were for the Act to be updated to reflect:

- the critical role of the ARC as the primary funder of basic research in non-medical fields;
- the broader role of the ARC within the national research system;
- a commitment to peer review as the primary mechanism for informing decisions about individual research proposals;
- greater clarity about governance including the roles and responsibilities of the CEO and Minister; and
- limited Ministerial discretion over individual research proposals, clearly restricted to issues of national security.

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The proposed changes in the Bill address these priorities. When enacted, these changes will enhance the independence and effectiveness of the ARC and bring its operations more in line with international best practice. They will increase transparency and public trust in the quality and integrity of Australian research.

The IRU supports the recommendations made by Universities Australia to further strengthen the Bill, namely the inclusion of a legislated formula for indexation (in line with the Government's response to Recommendation 9 of the Review) and greater clarity about the definition of "designated research programs" (to clearly differentiate between programs that support research capability and individual research grants).

In addition, the IRU proposes a small number of changes to the proposed text, with specific recommendations set out below:

- **Role of the ARC:** the IRU supports the amendments to the ARC Act to fully capture the ARC's important and unique role in the national research system. In particular, we support the inclusion in Section 3 of the Act of specific reference to basic research, supporting academic careers, "expanding Indigenous knowledge systems", supporting research integrity and ethical research, and evaluating the excellence and impact of Australian research. The Explanatory Memorandum makes reference to "consideration of equity and diversity" in research and the research workforce, but this is not included in the proposed amendments to the Act. The IRU recommends that "consideration of equity and diversity" be included in the wording of Section 3 as part of the ARC's role in the national research system. The definition of "research" in the revised Section 3 does not include medical research, but there is not a clear distinction made between the ARC's role in funding (in all non-medical fields) and in, for example, the evaluation of excellence and impact (across all university research). The IRU recommends that the definition of research that excludes medical research should only be applied to the ARC's funding role, rather than its broader roles in the national system. The IRU also recommends that Paragraph (b) in Section 3 should be amended to clarify that the ARC has a role in "supporting and promoting" research excellence and impact, in addition to "evaluating" excellence and impact. The IRU also recommends that Paragraph (e) in Section 3 should be amended to make it clear that "experimental development" is not a field of research but rather a category of research (i.e. distinct from basic and applied research).
- **Board composition:** the IRU supports the establishment of a Board as the accountable authority for the ARC, with a Chair with substantial research expertise. The IRU also supports the inclusion of an Indigenous Board member and a Board member who can represent regional, rural and remote Australia. However the proposed Board will be smaller than that envisaged by the Review and with less breadth of disciplinary expertise. There should also be a clear expectation for gender balance on the Board and committees. The IRU recommends that the Act not prescribe a fixed number of Board members, but leave flexibility to ensure that the ARC can deliver on its broader role to approve grants and provide advice across all non-medical disciplines, to promote excellence, impact, equity and diversity, and to "reflect the diversity of the Australian community".
- **Ministerial power and national security:** the IRU agrees that the Minister should have the power to terminate a grant if there is a specific threat to national security. This is reflected in the proposed amendments to the Act, with appropriate measures for transparency and



reporting to the Parliament. In practice, this should only happen after consultation with the university and, if possible, the applicants affected. However the wording in subsection 55(1) that covers “reasons relevant to the security, defence or international relations of Australia” goes well beyond this. Instead of covering all “international relations” and any “association with a tertiary education institution (however described) located outside Australia” the IRU recommends that the Act should restrict this power to instances of a specific threat to national security or risk of foreign interference.

- **Adequate funding and interdependencies with other government review processes:** the IRU supports the broader role of the ARC being captured in the revised Act. However the ARC will not be able to deliver its role without additional funding. For example, “expanding Indigenous knowledge systems” will require additional support for Indigenous research careers and Indigenous-led research projects – the IRU provided more detail on this in its [submission to the ARC Review](#) and to the [Universities Accord](#). The Explanatory Memorandum notes that the cost of the measures contained in the Bill will be met from existing resources through reprioritisation from within the ARC’s current budget, with “zero net financial impact”. However the ARC should not be expected to take on a broader role without the resourcing to deliver on this role. The consideration of a new approach to the promotion and evaluation of research quality and impact (which the IRU supports) has been taken up by the Universities Accord, but any recommendations from the Accord will need to be accompanied by dedicated funding for the ARC. Due to Australia’s dual funding system for research (which includes both competitive grants for research projects and research block grant funding for institutions), the effectiveness and impact of ARC funding is dependent upon reform to the allocation of block funding, which will also need to be implemented through the Universities Accord.

Yours sincerely,

Paul Harris
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