

Review of the Australian Research Council

Consultation paper

The Australian Research Council (ARC) is a statutory agency within the Australian Government. It was established as an independent body under the *Australian Research Council Act 2001* (the ARC Act). It reports to the Australian Minister for Education.

The ARC administers the National Competitive Grants Program, through which it assesses Australian university research and provides advice and support to the Minister on research matters, including the funding of research grants. The ARC Act has not been reviewed since it was established in 2001 and does not reflect the range of activities currently undertaken by the ARC.

On 30 August 2022, the Hon Jason Clare MP, Minister for Education, [announced](#) an [independent review](#) of the ARC Act to consider the role and purpose of the ARC within the Australian research system so it can meet current and future needs and maintain the trust of the research sector.

Review Panel members

- Professor Margaret Sheil AO (Chair), Vice-Chancellor and President, Queensland University of Technology
- Professor Susan Dodds, Senior Deputy Vice-Chancellor and Vice-President (Research and Industry Engagement), La Trobe University
- Professor Mark Hutchinson, Director, ARC Centre of Excellence for Nanoscale BioPhotonics, University of Adelaide

Terms of Reference

In a review of the ARC Act, consider:

1. whether the role and purpose of the ARC as set out in the legislation remains relevant, including consideration of the contribution the ARC can make to identifying reforms to its programs to actively shape the research landscape in Australia and better align with comparable research agencies;
2. the ARC governance model and management functions and structures to ensure they are contemporary, fit for purpose, and meet the needs of stakeholders;
3. opportunities to improve the legislation to better facilitate globally competitive research and partnerships, reduce unnecessary administrative and legislative burden and increase agility; and

4. how the legislation could be revised to reflect the breadth of functions of the ARC and its evolution, including the measurement of the impact and excellence of Australian research and advise on contemporary best practice for modernising and leveraging these measures.

Process

The Review will address the Terms of Reference through an analysis of the ARC's current functions and activities, the administration of the agency and the limitations of the legislation.

The Review should compare the ARC with other similar international bodies and make recommendations on learnings that could be adopted.

The Review will undertake consultation with universities, publicly funded research organisations, peak bodies, researchers, and research end-users and collaborators.

The Panel has sought the input of a number of peak bodies, university groupings, learned academies, publicly-funded research organisations and focus groups to establish key themes that have helped inform this formal consultation paper, and will continue to engage with them in the course of the Review deliberations.

The Panel is now seeking the advice and feedback of researchers, scholarly societies, peak bodies, industry, government agencies, community organisations, other research end-users and collaborators, and interested members of the Australian community.

The consultation is open for five weeks, from 9 November 2022 until 14 December 2022.

Reporting timeframe

The Review commenced on 5 September 2022. An interim report will be delivered to the Minister for Education by 31 December 2022, with a final report with recommendations due by 31 March 2023.

Approach to consultation

There is a range of other activities underway in parallel with this Review which may impact on the ARC, research undertaken in Australian universities, or intersecting parts of the Australian research ecosystem. These include:

- the [Review of Australia's Science and Research Priorities](#)
- the review of the [Australian Research Integrity Committee](#)
- the upcoming [Australian Universities Accord](#).

The Panel is not seeking to duplicate that work but will refer any relevant themes that emerge from the Review and consultation to those processes.

Overall or individual success rates and funding levels will not be addressed directly by the Review. Rather, the Panel is seeking input on how to strengthen the ARC within the current funding envelope with a view to ensuring the vital role the ARC plays within the Australian research ecosystem is recognised and supported into the future.

The consultation questions are directed to specific areas where there is potential to improve governance and management of the ARC within current resources.

It is recommended that you read the consultation paper and prepare your responses to all questions in advance offline before entering them, as the online survey cannot save your work and must be completed in one sitting. Please note that the technical limit for responses to each question is 20,000 characters.

Privacy

Any personal information contained in submission is protected by law, including the [Privacy Act 1988 \(Cth\)](#). Your personal information is collected by the department through Qualtrics, a Contracted Service Provider, as part of a consultations process into the *Australian Research Council Act 2001* (ARC Review).

Your personal information and any information you provide in the submission may be used by or disclosed to the independent panel members and the support team for the purpose of the ARC Review.

Your name and/or the name of your organisation may be used to attribute your ownership of your submission unless you indicate that you wish to remain anonymous. Your email address may be used to enable the department to contact you regarding your submission if it is incomplete or inaccessible.

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1. Scope and purpose of the ARC

Section 3(a) of the ARC Act stipulates that the purpose of the ARC is:

- the making of high-quality recommendations to the Minister in relation to which research programs should receive financial assistance;
- the administration of the regimes of financial assistance; and
- the provision of high-quality advice to the Minister about matters related to research.

The purpose defined by the ARC in the [ARC Strategy 2022-2025](#) is, “to help shape the Australian research system for the benefit of the nation by enabling world-leading research, fostering research quality, translation and impact, and safeguarding research integrity.”

The Act’s defined purpose is general and does not reflect historical or settled contemporary research funding practice, for example:

- the ARC provides funding for research to Australian universities and their partners;
- the scope [excludes](#) health and medical research (funded by the National Health and Medical Research Council (NHMRC) and the Medical Research Future Fund);
- the ARC’s funding scope extends to all other recognised academic disciplines; and
- the ARC supports pure basic, strategic basic and applied research, but not experimental development, as defined by the [Australian Bureau of Statistics](#).

Without statutory definition, the legal authority for the scope of ARC research funding derives from funding rules recommended by the CEO and approved by the Minister.

The defined purpose of the Act does not capture the extent of the role of the ARC in actively shaping the research landscape in Australia, such as by:

- demonstrating academic excellence and leadership;
- supporting Australian universities to attract and retain excellent researchers, while not providing support for entire research careers;
- providing funding to support the research of Aboriginal and Torres Strait Islander peoples as individuals and teams through providing funding to research projects that aim to expand Indigenous knowledge systems and provide economic, commercial, environmental, social and/or cultural benefits for Australia;
- refining its programs and practices to recognise the effect of disruption to research careers, particularly where these can result in gender or other biases and inequities;
- providing national leadership and evaluation in areas of research policy that impact on the quality and integrity of research in Australian universities;

- identifying gaps or weaknesses in Australia’s research capability and responding with dedicated programs and priorities to address these (especially but not exclusively historically through the Centres of Excellence Schemes);
- participating with the NHMRC in the Australian Research Integrity Committee and with the NHMRC and Universities Australia in the Australian Code for the Responsible Conduct of Research;
- supporting significant research collaborations; and
- performing the role of a delivery partner for other Government agencies that use its systems and processes to deliver peer-reviewed and other research grant programs.

The ARC also plays a critical role in having a component of its funding dedicated to Discovery or fundamental research. In 2021-22, for example, the funding in the ARC Discovery Program was [\\$490 million](#) out of the total Australian Government investment in research and development of [\\$11.83 billion](#).

The Act has a series of complex provisions (Part 7 Division 1, especially section 50) designed initially to ensure a balance between Discovery and Linkage Research. There should be opportunities to simplify the Act yet retain the commitment to this important balance to ensure Australia continues to invest in Discovery or fundamental research to underpin the remainder of the research ecosystem.

The Panel seeks feedback on the core ARC functions the ARC Act should include.

Q1. How could the purpose in the ARC Act be revised to reflect the current and future role of the ARC?

For example, should the ARC Act be amended to specify in legislation:

- the scope of research funding supported by the ARC;**
- the balance of Discovery and Linkage research programs;**
- the role of the ARC in actively shaping the research landscape in Australia; and/or**
- any other functions?**

If so, what scope, functions and role?

If not, please suggest alternative ways to clarify and define these functions.

2. Governance and management

The [ARC Advisory Committee](#) was established in 2022 as a Designated Committee (under Part 4 of the ARC Act) to replace the Advisory Council which had been in place since 2008. The original ARC Act in 2001 established a Board that oversaw the ARC and reported to the Minister. The Board was abolished in 2006 and thereafter the CEO was appointed by and reported directly to the Minister.

The Panel seeks feedback on how the ARC Act could be amended to strengthen the governance for the effective functioning of the ARC. For example, the governance could include re-establishing the Board of the ARC, with some contemporary modifications to the 2001 design.

An ARC Board appointed by the Minister, might comprise:

- a chair who is a prominent member of the Australian community held in high regard by the research community; * and
- four to six other members with a combination of skills, experience and perspectives relevant to the functions of the ARC (e.g. spectrum of ARC disciplines, Indigenous Australian leadership, research administration and leadership, research evaluation, and industry members with experience collaborating with universities); and
- the ARC CEO and Secretary of the Department or their delegates in attendance.

The functions of the Board might include:

- to make recommendations for the appointment of a CEO* who is, in the opinion of the Board, experienced in research and held in high regard by the academic research community;
- development and convergence of the ARC's goals, priorities, policies and strategies;
- ensure that the ARC's functions are performed properly, efficiently and effectively; *
- appoint suitably qualified and experienced researchers across the ARC disciplines to the College of Experts; and
- establish, and appoint members to other such committees as it deems beneficial for the effective functioning of the ARC.

* Updated provisions from the [original ARC Act](#) in 2001

Q2. Do you consider the current ARC governance model is adequate for the ARC to perform its functions?

If not, how could governance of the ARC be improved? For example, should the ARC Act be amended to incorporate a new governance model that establishes a Board on the model outlined in the consultation paper, or another model;

Please expand on your reasoning and/or provide alternative suggestions to enhance the governance, if you consider this to be important.

3. Academic expertise and peer review

The purpose of the ARC Act in section 3(a) specifies that the advice of the ARC to the Minister is to be high in quality. While *high quality* is not defined in the Act it is implicit and established by practice that the advice is over and above that which can be sourced from within other parts of the Minister’s portfolio. The Act is silent on the question of how that expertise is to be secured, except where section 34 (2) states “The Minister must not appoint a person as CEO unless the Minister has considered the person’s record in research and management.”

The ARC appoints Executive Directors who are academic discipline leaders with research experience, hold the high regard of their respective research communities, and have credibility with relevant stakeholder communities. This has allowed the ARC to remain current on issues of disciplinary practice and industry needs pertinent to research funding, conduct and evaluation, across its fields of research.

The ARC also uses the profound and extensive expertise of its College of Experts, from which are drawn Selection Advisory Committee members who assure the quality of the recommendations for funding. Appointment to the College of Experts is a prestigious recognition for researchers of their experience, acumen and standing.

The Panel seeks to assess whether the ARC Act ensures the appropriate expertise is available to the ARC to enable it to conduct all its activities. To inform this capability, the Act might include reference to expertise and the pre-eminence of academic excellence and peer review, through better definition of the role, coverage and characteristics of Executive Directors, the College of Experts or by other means.

Q3. How could the Act be improved to ensure academic and research expertise is obtained and maintained to support the ARC?

How could this be done without the Act becoming overly prescriptive?

4. Grant approval

When announcing his intention to initiate this Review on [6 July 2022](#), the Minister for Education, the Hon Jason Clare MP, cited a recommendation of the Senate Education and Employment Legislation Committee, made in its March 2022 [report](#) on its inquiry into the *Australian Research Council Amendment (Ensuring Research Independence) Bill 2018*. That private members bill [aimed](#) “to remove the Minister’s discretion to approve a research proposal recommended by the ARC by providing that the Minister must approve a research proposal and the associated expenditure recommended by the ARC.”

The Panel is aware of significant concern over many years across the research sector and beyond in respect to the Ministerial discretion. The panel is conversant with and will consider the views expressed in [submissions](#) made to the Committee and in the final report. Matters canvassed included:

- extremely strong sector support for the protection of peer review and for research excellence as the paramount consideration in grant approval;
- the principles of free inquiry and fundamental research;
- the significant negative consequences of the perception of arbitrary intervention;
- the importance of ministerial accountability to Parliament for the expenditure of public funds; and
- the need for ministerial transparency in the event of intervention.

The Panel is seeking advice in respect to options to normalise the Minister’s acceptance of the academic judgment of the ARC, which includes consideration of national interest and benefit. The ARC has deep and specific expertise in research matters, as outlined in the ARC Act and embodied in the organisation and its personnel. The panel is seeking recommendations that may give confidence to the academic community such that when a Minister intervenes in genuine and extraordinary circumstances, they would be obliged to notify that intervention and give reasons in detail to the Parliament, in addition to their obligations under guidelines, [senate orders](#) and the provisions of any other legislation.

Q4. Should the ARC Act be amended to consolidate the pre-eminence or importance of peer review?

Please provide any specific suggestions you may have for amendment of the Act, and/or for non-legislative measures.

5. National Interest Test

The National Interest Test (NIT) was established in 2018 by then Minister, the Hon Dan Tehan MP, to be applied by the CEO in preparation for making recommendations to the Minister for grant funding. The NIT was introduced in addition to the National Benefit selection criteria which had been assessed as part of the ARC funding rules and assessment practice for more than 15 years. Minister Clare [advised](#) that “the National Interest Test (NIT) should continue, but should be clearer, simpler and easily understood.”

The NIT has continued to evolve through Ministerial direction and administrative practice. It now has four components – broadly: project description; outcomes/gaps; national benefit/use case; path to adoption – which must be articulated crisply and concisely using plain language within 100-150 words.

Functionally the NIT comprises two linked but distinct considerations:

- a substantive assessment of the value to the community of funding the grant in question; and
- a critique of the success with which that value has been conveyed in plain English for the benefit of the uninitiated member of the public.

The value and potential benefit to the community has been one of the selection criteria assessed by peer reviewers, selection advisory committees and the ARC CEO and Executive Directors prior to and after the introduction of the additional step of the NIT. At different times, the Executive Directors and other staff of the ARC have also scrutinised and enhanced the plain English elements, drawing on their own disciplinary expertise.

In the [2022 grant rounds](#), 322 of 2,457 applications (13%) across 6 schemes were requested to revise their NIT statement at least once (8% more than once). The highest rate was for Discovery Indigenous at 37%; the lowest was for Laureates at 8%.

The ultimate purpose of the NIT or the National Benefit selection criteria within the current and earlier funding rules is to entrench and enhance the social licence to provide public funding for research through the ARC. There is potential individual and collective benefit to be gained by researchers if public understanding of and support for research can be extended and consolidated. The astute use of national benefit provisions in the selection criteria may be appropriate, or there may be better ways to communicate the possible outcomes of ARC recommendations in a way that the language is more easily understood by the community.

A potential source of tension and confusion surrounds the advice from the ARC which [cautions](#) applicants against “focusing only on benefits to academia”, whereas the Discovery Program includes fundamental research that by its very nature may not have a clearly defined application at the outset, beyond adding to global knowledge.

Q5. Please provide suggestions on how the ARC, researchers and universities can better preserve and strengthen the social licence for public funding of research?

6. Administrative burden

As a major public research funding agency, the ARC is obliged to balance administrative efficiency with academic credibility and rigorous accountability. These imperatives sometimes impinge upon one another, and the ARC constantly strives to maximise the harmony between them.

The Panel has been asked to consider options to remove or reduce prescriptive, inflexible, and outdated administrative and legislative burdens in the ARC Act or the practices of the ARC. The Panel seeks examples and evidence of red tape, black letter and other shortcomings that may have made engagement with the ARC more laborious and time-consuming. The [Belcher Red Tape Review](#), for example highlighted a culture of regulation and risk aversion across the Australian Public Service. Additionally, information on areas where ARC innovation in implementing procedures do work well are also welcome. The next question solicits responses regarding potential improvements: here, the Panel seeks to understand the challenges and impediments.

For example, new legislative frameworks and guidelines were designed to protect research integrity and counter foreign interference, while ensuring an increase in transparency of the ways in which academia and research institutions interact with foreign governments. These frameworks have driven heightened awareness of the risks that exist within universities, however they do also risk creating additional reporting burdens, that can at times be duplicative. The [report](#) from the Parliamentary Joint Committee on Intelligence and Security inquiry into Countering Foreign Interference recommended a review of the capacity of the ARC to implement the guidelines.

The Panel has already received feedback on actual or perceived administrative challenges, including:

- delays to, and uncertainty regarding, announcements;
- unexpected changes to grant rules and deadlines;
- onerous requests for information, including duplication;

- impediments to international research collaboration; onerous requirements made of partners (including industry and international) at the time of submission in cases where these partners do not receive any direct funding from the ARC;
- prescriptive financial requirements, variations, and approvals (especially if budget requests are not fully funded);
- the scope and currency of [Australia's Science and Research Priorities](#);
- duplication of national security requirements and processes outside the [University Foreign Interference Taskforce](#);
- relative weighting of different research outputs (e.g. monographs);
- treatment of pre-prints and other discipline-specific forms of research outputs;
- treatment of non-traditional research outputs;
- research ethics and research integrity processes; and
- complaints handling and appeals mechanisms.

Q6. What elements of ARC processes or practices create administrative burdens and/or duplication of effort for researchers, research offices and research partners?

7. Process improvements

Over the two decades since the ARC Act 2001, the research community has advanced suggestions for expanding and refining ARC activities to make the ARC and its programs more effective in supporting the Australian research enterprise. Many of these have been taken up over the years, but there are certainly good ideas that have not yet emerged or that are yet to be adopted.

The present Review is one opportunity, alongside the work being undertaken by the ARC itself, for the research community to make concrete suggestions for improvements and innovations to ARC functions, processes, and practices, to elevate Australian research performance and eliminate or reduce impediments, risks and frustrations. The Panel expect that not all these suggestions may be within the scope of the Review and/or be achievable with current funding levels but the Panel will endeavour to reflect the most commonly occurring themes in our advice to the Minister and the ARC.

When announcing the present Review on [30 August 2022](#), the Minister committed to ensuring “all future grant rounds are delivered on time, to a predetermined time frame.” The ARC has already [responded](#) to this call by publishing its grants calendar for the remainder of the 2022-23 financial year. The Panel is interested in ideas for securing this degree of certainty into the future, including through potential amendment of the Act, without increasing the administrative burden.

Other potential reform ideas that have been raised include using an Expression of Interest stage more widely than at present, introducing a dedicated travel fund, the restoration of the ARC Research Networks scheme for fields without large-scale infrastructure, and fostering innovation through longer funding cycles.

Q7. What improvements could be made:

- a. to ARC processes to promote excellence, improve agility, and better facilitate globally collaborative research and partnerships while maintaining rigour, excellence and peer review at an international standard?**
- b. to the ARC Act to give effect to these process improvements, or do you suggest other means?**

Please include examples of success or best practice from other countries or communities if you have direct experience of these.

8. ERA and EI

Excellence in Research for Australia (ERA) and the related Engagement and Impact Assessment (EI) have been carried out by the ARC under the authority of Ministerial direction – there is no explicit mention of quality and impact assessment in the Act.

ERA was implemented by the ARC from early 2008 replacing the Research Quality Framework which had been developed by the Department of Education over the preceding 5-year period. The case for introducing a measure to help drive improvements in research quality was part of a series of reforms that including additional investment in Australia’s research capacity under a package known as [Backing Australia’s Ability](#) (and its successor [Backing Australia’s Future](#)).

The ARC has conducted one ERA trial (2009), four full ERA rounds (2010, 2012, 2015, 2018) and one EI round (2018). The information derived from the early ERA rounds was useful for governments and universities in understanding and demonstrating areas of research excellence across the entire Australian university sector. ERA has evolved, with numerous refinements, including a reform proposal developed in early 2022. The Minister has since directed the ARC to pause preparations for an ERA round in 2023 and to explore options to streamline the exercise. At the same time, he tasked the Review Panel to provide advice on “the measurement of the impact and excellence of Australian research.”

There is no doubt that ERA has been tremendously effective in shifting the focus of Australian research from an emphasis on quantity to quality of outputs, particularly in its early iterations, but it can be argued that ERA has achieved its initial purpose and that the time and resources involved may be better re-directed to other evaluation needs.

EI has a narrow reference window for research to application, relative to the typically longer periods observed in the somewhat idiosyncratic real-world history of research and innovation. There are also concerns about its dependence on case studies, which risks privileging style and particular kinds of research outcomes. It is yet to be determined whether a metrics-based approach can resolve the latter issue.

Both systems are inherently retrospective, when our research sector and the broader national innovation posture are now well equipped to pivot to a prospective paradigm. Both ERA and EI are also framed around the performance of individual institutions and drive institutional comparisons and competition in ways that often lead to counter-productive duplication of expertise.

The Tertiary Education Quality and Standards Agency (TEQSA) has recourse to ERA (among other measures) to make assessments for the purposes of the university research threshold standards and could arrange to utilise ARC expertise for additional assessments as required.

Q8. With respect to ERA and EI:

- a. Do you believe there is a need for a highly rigorous, retrospective excellence and impact assessment exercise, particularly in the absence of a link to funding?**
- b. What other evaluation measures or approaches (e.g. data driven approaches) could be deployed to inform research standards and future academic capability that are relevant to all disciplines, without increasing the administrative burden?**
- c. Should the ARC Act be amended to reference a research quality, engagement and impact assessment function, however conducted?**
- d. If so, should that reference include the function of developing new methods in research assessment and keeping up with best practice and global insights?**

9. Evaluation capability

The Panel is considering how to retain the substantial expertise within the ARC and deploy this across the sector in evaluating research excellence and impact to demonstrate its value to the public, government, policymakers, and industry.

ERA was originally designed to be linked to on-going funding, so it demanded a level of rigour that resulted in a highly labour-intensive burden. Its legacy is an impressive capability that could be deployed to improve the understanding of excellent and beneficial research beyond the academic community. Moreover, innovations in organising, structuring, and enabling research excellence and where appropriate, methods that have facilitated translational impact, across Australia could be refined into best practice doctrines. Done well, this could foreseeably facilitate collaboration with industry, enhance uptake and engagement across all portfolios of government, improve public appreciation of the benefits of research, help identify critical areas of under-development, and entrench the social licence for the public funding of research discussed above.

The Panel is interested in responses to the proposal to redeploy this sophisticated evaluation capability – a significant national asset –to expand its own reach and impact beyond the research sector. There could be an explicit program of work to take the capability into a new phase, with which the ARC could evaluate the outcomes of ARC grants to demonstrate value and excellence of ARC-funded research, while increasing and expanding best practice across domains and meeting the needs of other government stakeholders.

Q9. With respect to the ARC's capability to evaluate research excellence and impact:

- a. how can the ARC best use its expertise and capability in evaluating the outcomes and benefits of research to demonstrate the ongoing value and excellence of Australian research in different disciplines and/or in response to perceived problems?**
- b. what elements would be important so that such a capability could inform potential collaborators and end-users, share best practice, and identify national gaps and opportunities?**
- c. would a data-driven methodology assist in fulfilling this purpose?**

10. Other comments

The Review Panel is aware that its deliberations and the soundings it has taken across the sector to date are far from comprehensive. Your input on any other matter relevant to the Review is welcome, regardless of whether it has been raised in this consultation paper.

Q10. Having regard to the Review's Terms of Reference, the ARC Act itself, the function, structure and operation of the ARC, and the current and potential role of the ARC in fostering excellent Australian research of global significance, do you have any other comments or suggestions?

Should you wish to submit for the Panel's consideration any supporting material that cannot be included in the response form (such as graphical elements or data tables), please upload your attachment to the survey or contact the Review's Secretariat within the Department at ARCReview@education.gov.au.

The Department cannot confirm if your supporting documents will meet [online accessibility requirements](#) and as such will not be published alongside your submission.