Joint Submission to the Australian Research Council Amendment (Review Response) Bill 2023 inquiry

This submission reflects the view of Australia's Learned Academies – the Academy of the Social Sciences in Australia, the Australian Academy of Science, the Australian Academy of Health and Medical Sciences, the Australian Academy of the Humanities and the Australian Academy of Technological Sciences and Engineering.

Our organisations represent and support excellence in their respective fields and bring together the nation's leading thinkers to provide impartial, evidence-based advice on important issues facing society.

We welcome the opportunity to respond to the Senate Education and Employment Legislation Committee inquiry into provisions of the *Australian Research Council Amendment (Review Response) Bill 2023* (the Bill).

Overview

The Learned Academies endorse the proposed amendments in the Bill, which address six of the recommendations made in Trusting Australia's Ability: Review of the Australian Research Council (ARC) Act 2001 (the Review). We specifically welcome provisions that will:

- Provide for an ARC Board and establish the role of the Board in appointing the Chief Executive Officer and the College of Experts, and for approvals of grants under the National Competitive Grant Program (NCGP).
- Remove the capacity of the Minister to intervene in grants recommended for funding, except on national security grounds, including a requirement not to give the Board direction about particular funding approvals.
- Require transparency around Ministerial intervention by providing a written statement to the Parliamentary Joint Committee on Intelligence and Security and tabling a statement in Parliament.
- Establish revised Objects to the Act that will provide greater clarity as to the purpose of ARC, including its key role in supporting fundamental research.
- Provide for the ARC to evaluate the excellence, quality and impact of research in Australian universities.

These changes are consistent with our submissions to the Review consultation and will set a strong foundation for the ARC to better support Australia's world-class research effort. [1]

This submission makes four recommendations to further strengthen the Bill.

[1] See submissions to the ARC Review consultation from Academy of the Social Sciences in Australia, Australian Academy of Science, Australian Academy of Health and Medical Sciences, Australian Academy of the Humanities and Australian Academy of Technological Sciences and Engineering.

Governance model

The Learned Academies welcome the establishment of a Board with significant research experience that will strengthen the governance arrangements for the ARC. We strongly support the appointment of a First Nations representative.

The Review recommended that the Board "establish and appoint members to other such committees as it deems beneficial for the effective functioning of the ARC." This is reflected in the Bill provisions. However, subsection 30 (1) of the Bill specifically stipulates that "the Minister must appoint an ARC Advisory Committee", which is intended to assist the Board to determine priorities, strategies and policies for the ARC.

The ARC Advisory Committee has the potential to support the overall capability of the Board in relation to research policy, research management and disciplinary expertise. It also allows broader sectoral input. This is important given the size of the Board, up to seven members including the Chair and Deputy Chair, to extend and buttress the Board's overall expertise and enable it to discharge its duties.

However, as the Board and the CEO have the powers to convene committees in support of their respective work, we seek clarification on the need for a designated committee of this kind to be named in the legislation. Should it remain in the legislation, further clarity will be needed on the structure, purpose and function of the ARC Advisory Committee and how it will work in conjunction with the Board.

> **Recommendation 1:** Clarify the structure, purpose and function of the Minister-appointed ARC Advisory Committee if it remains in the legislation.

Ministerial powers

The Minister retains approving authority for "designated research programs" three of which are specified in Schedule 3 – ARC Centres of Excellence scheme, the Industrial Transformation Training Centres, and the Industrial Transformation Research Hubs. The Minister's responsibility here is commensurate with the scale and significance of these programs in supporting major research capability, as distinct from individual research projects.

However, there is nothing in the draft legislation that sets the threshold for what kinds of major research programs might be "designated" by the Minister. There needs to be more definitional clarity around what constitutes a major research program that would warrant Ministerial approval, as distinct from that of the Board.

> **Recommendation 2:** Clarify criteria for considering major research programs as "designated research programs".

The Minister's right to direct the ARC to not fund or recover funds from research grants on national security and defence grounds is understandable and we support this safeguard. However, we seek clarification on the definition of "international relations" which sits alongside "national security" and "defence". The inclusion of "international relations" could lead to unintended consequences when the power should only be in play for national security reasons.

> **Recommendation 3:** Clarify the definition of "international relations" and how it is different to "national security" and "defence".

Resources for new responsibilities

Australia's overall level of investment in research and development – which is a down payment on future economic and social prosperity – is below the OECD average. This also reflects that the ARC appropriations have not kept up with inflation over the past decade.

The Explanatory Memorandum indicates that the additional costs required for the changes proposed will be met through existing resourcing and reprioritisation from the ARC's current budget. This includes funding implications associated with expanding the scope and responsibilities of the ARC in assessing Indigenous research capability and international benchmarking as well as costs to establish and implement the Board.

The ARC must be adequately funded to enable it to deliver on the intent of the Bill. Importantly, we urge the government to ensure the existing grants budget is not eroded for administrative purposes. Future research assessment exercises will need to be adequately funded and not encroach on grant funding or come at a cost to universities.

> **Recommendation 4:** Increase funding allocation to the ARC, commensurate with the expanded scope and responsibilities and ensure the grant budget is protected.

To discuss any matters raised in this submission, please contact Dr Kylie Brass, Director Policy and Research, Australian Academy of the Humanities (Kylie.Brass@humanities.org.au) or Andrea Verdich, Policy Director, Academy of the Social Sciences in Australia (andrea.verdich@socialsciences.org.au)