



Submission to the Review of the Australian Research Council, December 2022

Scope and purpose of the ARC

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:

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

If so, what scope, functions and role?

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

ARC purpose clause. The University of Sydney supports the views expressed in the consultation paper that Section 3(a) of the ARC Act (the purpose clause) ‘does not reflect historical or settled contemporary research funding practice’, ‘does not capture the extent of the role of the ARC in actively shaping the research landscape in Australia’, and that in the absence of a clear and comprehensive statutory definition of purpose, the legal authority for the scope of the ARC has been set by the funding rules recommended by the CEO and approved by the Minister. Any modernisation of the ARC’s purpose clause, and the rest of the Act, should have regard to the current legislative basis of leading government research funding councils globally. The Act’s purpose clause should recognise the ARC’s independence, and protect it from being captured by political plans or by commercial interests.

ARC functions. The consultation paper’s list of the ARC’s functions (bottom of p.5) extend well beyond the three functions specified in Section 3(a) and all of these are vital. The University supports the purpose clause being updated significantly to reflect the full scope of the ARC’s responsibilities. It will be important for consultation with stakeholders to occur on the proposed text of any new purpose definition before any amending legislation is put to Parliament.

Integrity of the peer review process. Ensuring the integrity of the peer review system should be part of the ARC’s objectives and is missing from Section 3(a) and the expansive list of the ARC’s functions in the consultation paper. Rigorous and independent peer review is a vital function upon which the ARC bases funding decisions and recommendations to the Minister. The independence of the ARC’s academic review process might also be strengthened by removing making ministerial recommendations as a purpose of the ARC, or clarifying the meaning of ‘research programs’. Research programs could be seen as both broad schemes (e.g. Linkage v Fellowships) – on which the ARC can provide useful advice to ministers – and individual applications, which arguably should be evaluated through peer review and independently of government.

International representation and engagement. Another vital ARC function missing from the list is the role it plays in supporting international collaboration and engagement by maintaining a strong presence within the international research funding council community and beyond, and by providing funding opportunities to facilitate the participation of Australian researchers in global research collaborations. Any amended purpose statement should include something like: *supporting international research engagement and collaboration to maximise benefits for Australia from international partnerships, developments and policy.*’

Research balance. The University of Sydney also strongly supports the suggestion in the Consultation Paper that Part 7 of the Act should be simplified to ensure an appropriate balance is

struck between the ARC's funding allocations for basic and applied research. Here we note the critical importance of basic research in building and sustaining long-term national capacity for innovation and productivity improvements, the large shift that has occurred in Australia's HERD split from basic to applied research over the last 30 years, and the very limited alternative sources of external funding to support basic research in non-HMR fields.

Legislative protection for basic research. The Act should protect the ability of the ARC to fund basic research, and research that is assessed as likely to lead to social or economic benefits, but which is unlikely to be funded from other sources because of uncertainty around return on investment and the likelihood of spill over effects. In this same vein the Act should protect the ability of the ARC to invest in highly diverse and risky or unknowable (in an outcomes sense) research programs, also unlikely to be funded by private firms or other sources as it is this type of novel pure basic research that often delivers the most significant breakthroughs in understanding and potential for innovative real-world applications.

Governance and management

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.

The University of Sydney does not consider the current ARC governance model to be adequate for enabling the Council to perform its functions as a key provider of impartial, high-quality recommendations and advice about research to the Minister. Over time, we have observed the Council become too close to the Department of Education, with its reputation and standing diminished in recent years through developments including: the politicisation of its funding programs and administrative processes; the reduction in senior staff with strong research backgrounds; an absence of certainty around funding announcements and their politicisation; and a lack of transparency around ministerial decision-making.

We therefore strongly support the Consultation Paper's suggestion that the ARC Act is amended to re-establish a formal skills-based Board as a key part of its governance structure. We support the Consultation Paper's suggested membership of the Board, and strongly support the proposal that a core function of the Board should be to make recommendations to the Minister on candidates suitable for appointment as ARC CEO. If well-constituted, the re-establishment of the Board should lead to innovation and greater independence for the ARC.

Academic expertise and peer review

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?

Overall, the ARC's longstanding practice of appointing Executive Directors (EDs) with high standing in the research community has worked well. Codifying these positions in the ARC Act would avoid the situation where ED roles become vacant and are not filled. We welcome the appointment of new EDs for the Social, Behavioural and Economic Sciences and for the Humanities and Creative Arts. These roles had been vacant for some time, leading to an erosion of engagement, and trust, with the sector. The recent announcement of the appointment of an accomplished senior academic to the position of Chief Research Officer (CRO) should also help to strengthen the Council's engagement with researchers and universities. The appointment of a strong group of accomplished researcher leaders across the disciplines for fixed terms serves to strengthen the ARC's capacity for providing high quality

advice, as well as its standing with the research community. It also helps to provide opportunities for senior academics to bring their knowledge of research and the higher education sector to the work of the ARC, and vice-versa, when they return to roles in universities or elsewhere. The value of these positions, if they are utilised to provide strategic engagement, policy advice and to channel expertise from the sector to the ARC, cannot be overstated.

Through our internal consultations, however, we have received feedback from experienced researchers raising concerns about the continuing relevance and quality of the ARC panel system, drawing on members of the College of Experts. These comments suggest that the ARC needs to seriously consider how it can ensure the panels harness more expertise, support diversity in award outcomes and consistently provide the highest quality reviews. We have provided an example of this feedback below, anonymised, for consideration by the Review Panel:

"The current panels are too broad in the subject areas that they encompass and do not reflect modern research trends...To ensure that research grants are assessed by qualified assessors, the panels should be replaced with a greater number of subject-specific review boards. These could be modelled on the *Fachkollegien* of the German Research Council (*Deutsche Forschungsgemeinschaft*, DFG), of which there are 49, in comparison with the 5 panels of the ARC. A further advantage of the DFG system, which encourages the quality of assessments, is that members of the *Fachkollegien* are voted into office by their peers. Selection by one's peers as a DFG Reviewer is, thus, a recognition not only of academic achievement, but also academic integrity, honesty, and reliability. This method would achieve a higher quality of reviewers than the ARC's current system where members of the Colleges of Experts are nominated by their institutions with no input from researchers at other institutions in the same field."

Grant approval

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.

We set out our position on the independence of the ARC in our March 2022 [submission](#) (No.53) to the Senate Education and Employment Legislation Committee's inquiry into the provisions of the [Australian Research Council Amendment \(Ensuring Research Independence\) Bill 2018](#).

We continue to believe strongly in the Haldane Principle and the independence of the ARC. We would ideally like the ARC Review to result in changes to the ARC Act that see Australia join with countries and regions such as Canada, the UK, Germany, the USA and the European Union, which do not allow for unilateral ministerial veto of research grants following recommendations arising from their peer review processes.

Questions of ministerial intervention in agency affairs are usually governed by conventions, culture and administrative arrangements, rather than legislation. If a minister or government becomes concerned that the ARC's processes are resulting in projects being recommended for funding that do not represent value for money or the national interest, then they should work with the ARC and its experts to address those concerns and to develop clearer guidelines and processes. If legislation is considered necessary to protect the ARC's independence and protect against arbitrary decisions, the Reserve Bank of Australia (RBA) is a Commonwealth statutory body that operates largely independently of government by following clear legislated guidance. [Jobs and Skills Australia](#) is another more recent creation of the current Government, established to provide independent and expert advice to a Minister of the Crown. We acknowledge that there may be genuine and extraordinary circumstances (e.g. national security risks unknown to the ARC or peer-reviewers) when the exercise of ministerial discretion to veto funding recommendations from the ARC CEO may be justified. The ARC Act could be amended, for example, to specify the circumstances in which the Minister may veto funding recommendations and any other requirements that must be met each time the power is exercised.

We understand the importance of the principle of ministerial accountability under Australia's Westminster-style of government, and the need for broad consistency in decision-making between the ARC and NHMRC grant programs (we note the Minister for Health has the power to veto grants recommended for funding by the NHMRC CEO under the NHMRC Act). If the ministerial veto is to remain as signalled by the Labor Senators in their formal comments on the Australian Research Council Amendment (Ensuring Research Independence) Bill 2018, then we strongly support their recommendation that: '*The Australian Government should amend the Australian Research Council Act 2001 to require the responsible minister to table, in Parliament, within 15 sitting days, the reasons, evidence and advice received when discretion is exercised to veto an Australian Research Council recommended grant.*' The inclusion of such a requirement in the Act would improve transparency significantly. It would cause the Minister to think more carefully about exercising the veto and would demonstrate respect for procedural fairness, the peer review process and the researchers and support staff who have invested heavily to prepare the grant applications vetoed by the Minister. We further suggest that consideration is given to including specific criteria for a ministerial intervention in the Act.

National Interest Test

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

We strongly suggest that the ARC replaces the National Interest Test (NIT) with the current peer review process that covers the national benefit. The National Benefit section of grant applications articulates the benefit of the research proposal to Australia and Australians with non-expert assessors in mind. However, if the NIT is to remain a part of the application process, then it should form a transparent and clear part of the application, visible to assessors. We therefore welcome the modifications to the NIT announced on 1 December, which advised that the statement will now be shared with assessors as an input when they are considering each application in the peer assessment process.

Ideally, however, addressing national interest should form part of the articulation of benefit within the existing section of the application. If the NIT statement stands alone, as is currently the case, it is unclear what is being assessed – a project's alignment with national interest, or the applicant's articulation of that alignment. In our experience, the way in which the statement has been used has tended towards the latter. In recent times this has left the research community with the impression that the NIT is more of a marketing exercise than one that is genuinely concerned with communicating the research.

The inclusion of the NIT in the ARC Discovery Program, which exists to support basic research, as stated on page 6 of the consultation paper, is significantly problematic because it tries to justify the funding of fundamental research to the public in terms of short-term applications. The national benefit of curiosity-driven basic research is extremely difficult to foresee because the future applications of the discoveries this work brings about simply cannot be imagined at the time the knowledge is generated and the timelines to application can be very long. There are many well-documented examples from Australia and across the world that strongly illustrate this point. Instead of trying to accomplish this via the NIT, the ARC and the government could play a greater role in the articulation of public benefit through mechanisms, such as community and government outreach, which will have far greater and broader impact than the NIT.

Administrative burdens

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

The large and growing gap between the true costs of supporting Nationally Competitive Grants programs, and the large cost (in staff salaries and opportunity costs) of the time required by staff to win external grants is recognised as a key weakness in Australia's dual funding system that has existed for some time. The University of Sydney's submission to the [Laming Review](#) (2018) highlighted

the high costs embedded in national competitive grant programs that rely on applications that take months of researchers' and research support staff time to prepare, with very low success rates. With success rates for most ARC schemes low and under continual pressure, the total salary and opportunity costs of Australia's dual funding system are likely to be significant and growing. We acknowledge the effort the ARC has put into working with the sector to try to reduce the pressure on the schemes.

In consultations with our research community the following areas cause the greatest burden to researchers, research offices and partners in terms of administration and duplication of effort.

Grant application processes

- Given the low success rates in all ARC schemes, the current system wherein every applicant submits a lengthy application is a major salary and opportunity cost to researchers, institutions and the ARC. Other countries, for example Switzerland, Israel and the Netherlands use shorter, more focused applications in their public funding rounds.
- Changes to aspects of ARC grant application occur frequently, for example the order of different sections of the project description change, or the information requested in the application changes, or small changes are made to compliance rules. Although they may seem small matters, these inconsistencies from year to year create an unnecessary burden for researchers and research offices, often for no apparent benefit.
- Given budgets are routinely reduced by 20-30%, more transparency around the budget process, to help researchers and institutions understand where and why budget cuts are made, would be beneficial. Budgets are also too detailed and should be streamlined.

Round timelines

- Regular opening, closing and reporting dates for all application rounds would relieve some administrative burdens and enable research offices to plan more effectively to support researchers through peak periods.
- If changes to the Funding Guidelines for a scheme are being made, then the Guidelines should be publicly released in advance of the next round opening so that researchers are able to ensure their eligibility for the scheme before they invest time in writing an application.

Post-Award processes

- We understand that conversations are already underway with the ARC CEO about the possibility of authorising Research Offices to approve simple, low risk variations and submit them to the ARC for information. For example, when a Chief Investigator moves to another university and their new institution agrees to honour the in-kind contribution associated with the grant. We strongly support this undertaking, which would allow the ARC to focus on more complex variations such as the change of an industry partner on a Linkage Project.
- Related to the above point around the budget process, greater transparency would help relieve the difficulty in administering grants post-award. In the absence of any notification, researchers and research offices have to guess where budget cuts have been made. In the past the ARC provided a letter specifying which part(s) of the budget had been cut.

Requirements for multi-party schemes

- Negotiations with non-university partners around IP ownership, as well as particular terms which originate from the Funding Agreement and partners find problematic, absorb significant time and effort from researchers, partners and research offices. We support the Australasian Research Management Society's recommendation that the ARC could provide greater support in these negotiations and a stronger voice around IP ownership expectations, particularly in Linkage Projects.

Research ethics and integrity processes; complaints handling and appeal processes

- The ARC Research Integrity Policy prescribes notification if a research integrity complaint relates to a researcher who has ever received ARC funds. This is a cumbersome process and significant administrative burden on institutions.

- There have been instances where the consequential actions following a research integrity matter have not always been proportionate to the seriousness of the conduct, which places a substantive administrative burden on the institution.

At a broader level, Commonwealth funding bodies including the ARC and NHMRC continue to use customised grant application and management systems. The RMS system is very effective, not only for ARC grants, but for other Commonwealth funding (for example the National Intelligence and Security Discovery Research Grant program) and we would support its use across the board. Efficiency could be improved within both funding agencies, as well as within universities and other organisations, through better integration of the research application and management systems. Likewise, the use of standard contract templates and key clauses across all federal agencies would significantly enhance the efficiency and effectiveness of the Federal Government's investment in research, by reducing the time and resources required to reach agreement on contractual terms across the board.

Process improvements

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.

In terms of improvements to processes, the ARC might consider:

To promote excellence

Discovery Program

- Discovery Projects (DPs) should focus on the proposed research, with lower weighting on the researcher's track record, to help level the playing field for early and mid-career researchers and address persistent gender imbalances in outcomes. Compare with NHMRC Ideas grants that place a 20% weighting on Capability (which includes expertise). Balancing metrics with a more nuanced consideration would also be valuable.
- The DP scheme could encourage large scale impactful research programs by giving larger awards on average. Awards of up to \$1 million would attract proposals for multi-institutional research programs involving more Chief Investigators and may have the beneficial side effect, given the current 2 DP limit, of reducing the number of submissions.

External assessor process

- Tighten the external assessor process to ensure more consistency, for example that the >90% of applications receive either 2 or 3 external assessor reports. This will also address the current lack of equity which results from the character limit being fixed, regardless of how many assessments the project has received.
- Rejoinders could be made more transparent by including the scores alongside the comments. This was done in the UK, and while it did lead to appeals, it also removed the ambiguity of the qualitative feedback compared to the awarded score, and enabled the rejoinder to more properly address the reviewer's perception.

Timelines for award

- We strongly support tightening the timelines for award, as long timeframes make career planning extremely difficult and have a real impact on our ability to retain the best and brightest researchers in Australia. Adherence to fixed dates for all schemes will facilitate career planning.

- It is particularly important for industry collaborations to be awarded in a shorter timeline to make these opportunities for industry/university collaboration more attractive to the corporate sector. This is the most commonly cited factor deterring potential applicants from engaging in the Linkage Program. Currently the timeline from the close of a Linkage Project round to award it is approximately 7 months, and this should be halved.

Submission and assessment information

- We recommend that the ARC provide further details about the breakdown of research areas that received submissions (for example, by Field of Research code), success rates by Field of Research code rather than by assessment panel so that outcomes can be evaluated in a clearer and more transparent way.

To improve agility

- Shorter and more focused applications, as other countries use in their public funding rounds, for example in Switzerland, Israel and the Netherlands.
- Streamlining the level of detail required in budgets, given they are routinely slashed by 20-30%. As an example, conferences should have a single figure, not individually detail the cost per night of hotels, airfares etc.

ERA and EI

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?*

We support the Minister's call to pause ERA 2023 process and to develop a streamlined approach to the measurement of research quality. We believe it is also necessary, at this time, to engage with threshold questions relating to whether the benefits of ERA are worth the effort, expense and opportunity cost to Australian research that participation in the exercise requires.

At the University of Sydney for example, participating in each ERA exercise consumes more than 40,000 hours of staff time and costs the University well in excess of \$2 million in salaries alone. The full economic and opportunity cost of participation is much higher than this, however, as time spent by our researchers and staff meeting the requirements that arise from ERA participation is time that cannot be dedicated to our teaching, research, and its translation for societal benefit. Overall, the ERA and EI exercises, without any direct link to funding are extremely time consuming and burdensome.

We recognise that there is a range of views about whether the work involved in running an ERA exercise is worth the effort and benefits that flow from it. However, we feel strongly that the ERA and EI have become exercises through which the sector is speaking largely to itself. Demonstrating the quality and value of investment in university research to government central agencies was one objective of the ERA exercise when first established. However, the trends in funding amounts administered by the ARC suggest that this goal has not been successful, even though successive ERA rounds have confirmed the high calibre of research conducted in many fields in Australian universities. Over the same period very strong commitments have been made to provide long-term Commonwealth funding increases for health and medical research, due to their generally stronger social and political licenses rather than the ERA results achieved in these fields. The ERA rankings and scorings seem to be of little interest to anyone outside the university sector and are not well understood internationally. University world and research discipline rankings have become the internationally accepted systems of benchmarking research quality and cut through to the public.

Continuing an expensive and time-consuming evaluation process that does not show value in a meaningful way to taxpayers or other stakeholders seems a waste of resources that could better be applied to funding and translating research.

We strongly support Universities Australia's recommendation that the Government discontinue the ERA initiative and consider, in consultation with the sector and other experts, options to provide assurance of the high-quality research performed by Australian universities. However, we note that the advice the ERA Transition Working Group is scheduled to provide to the ARC CEO before the end of 2022 is directly relevant to the issues raised in this recommendation.

Evaluation capability

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?*

We agree that the ARC has developed expertise to evaluate research excellence and impact and believe it should retain some of this capability, however, this should be complimented with sufficient funding to engage external experts to evaluate the outcomes and benefits of research of ARC funded research.