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Senator the Hon Matthew Canavan  
Chair  
Senate Education and Employment Legislation Committee  
Email: [eec.sen@aph.gov.au](mailto:eec.sen@aph.gov.au)

Dear Senator Canavan,

The University of Sydney welcomes the opportunity to make a submission to the Senate Education and Employment Legislation Committee regarding the Private Senator's [Australian Research Council Amendment \(Ensuring Research Independence\) Bill 2018](#) (the Bill).

Maintaining independent, expert assessment of research funding applications is standard best practice across nations that are recognised for their research excellence. It is a principle that has been widely supported across the political spectrum for many decades and is a hallmark of well-functioning liberal western democracies with advanced innovation ecosystems. We note that those countries and regions against which Australia regularly benchmarks itself in relation to both research excellence and the translation of that research into national benefit – such as Canada, the UK, the USA and the European Union – do not allow for a Ministerial veto of research grants following the peer review process. In the UK, for example, it is known as the Haldane Principle, which is enshrined in law.<sup>1</sup> International best practice makes clear there is no justification for such a veto.

We recognise that the Australian Government is responsible for the expenditure of taxpayers' funds. It makes the rules and ultimately determines where taxpayers' money is spent. Under the *Australian Research Council Act 2001*, the Minister for Education is responsible for funding and approving research proposals.<sup>2</sup>

Australia's national competitive grant programs are built upon an expert peer review system that impartially ensures only the highest quality grant applications are recommended for funding. Peer review processes, such as the rigorous and multi-stage expert peer review process the Australian Research Council (ARC) uses to assess research applications, are universally considered best practice for assessing the quality of research and delivering research excellence.

The [report](#) of the House of Representatives' Standing Committee on Employment, Education and Training's 2018 inquiry into the funding of Australia's federal and non-National Health and Medical Research Council (NHMRC) research system (the Laming Review) contained a strong recommendation that the peer review system be maintained to support competitive grant funding in Australia (Recommendation 4). We believe that decisions about which research projects are approved and funded should be made by these experts. Universities Australia chief executive Catriona Jackson's comment that "you don't expect the federal sports minister to choose Australia's Olympic team", quoted in Senator Faruqi's second reading speech in 2018, is an apt illustration of this point.<sup>3</sup>

Clear and transparent assessment criteria regarding research excellence, value for money and national benefit are already explicitly written into the ARC Funding Guidelines, to which researchers, administering organisations and their partners (including from industry) must adhere when developing grant applications. Most importantly, peer experts are required to assess projects against these criteria, and to justify their assessment. The requirement contained in

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<sup>1</sup> The Haldane Principle is the principle that decisions about the allocation of public funding for individual research proposals are best taken following evaluation by an independent council of experts and not directly by a government department itself. See for example, the UK's Lord Hailsham (Minister for the UK's research councils from 1957-1964, and subsequently Lord Chancellor) [quoted here](#).

<sup>2</sup> *Australian Research Council Act 2001*, Subsection 51(1)

<sup>3</sup> Quoted in Sen Faruqi's [speech for the second reading of the Australian Research Council Amendment \(Ensuring Research Independence\) Bill 2018](#).

subsection 51(1) that the Minister approve applications as 'deserving financial assistance' is, by contrast, highly ambiguous.

Given the robust, collective, expert assessment process that is applied by the ARC (and other funding agencies such as the NHMRC) at considerable cost to the public to identify the highest quality research, it is hard to justify that a single Minister has the power to overturn funding decisions at the individual project level. Rather, it adds uncertainty and time delays to the national competitive grants process, wasting researchers' and their administering organisations' time, as well as taxpayers' money.

Moreover, the uncertainty caused by any Ministerial intervention after a rigorous independent peer review process harms the international reputation of the ARC, the career experts who devoted their time to the review process and the Australian research and higher education system of which the ARC is a fundamental part. The *possibility* of such Ministerial intervention also diminishes the capacity for Australian researchers to secure outstanding global collaborators.

A point of considerable concern to the research community is the current lack of public information and detailed justification of the Minister's decision. Without a clear public statement of reasons for the decision (as is required of all peers engaged in the review process) trust in the awarding of grants is lost. It is insufficient that the Minister's veto is justified through a simple statement that the application failed on grounds of value for money or irrelevance to the national interest. On what basis and on what advice does the Minister determine to veto an application on these grounds?

Australia's researchers, students and universities invest enormous amounts of time, effort and other resources in our research system for the benefit of Australians. Much of this effort is unpaid or underfunded. Researchers' jobs and research students' positions depend on the outcome of applications to our national competitive grant programs. Ongoing political intervention in the ARC's funding decisions risks Australia losing more of its best and brightest researchers to other countries or to jobs in other sectors that offer greater employment certainty. It also risks diminishing the capacity for Australian university students to be educated in environments, across the disciplines, where teaching is informed by the latest world-class research.

The University of Sydney's submission to the Laming Review highlighted the high cost (borne by universities) 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.<sup>4</sup> Our researchers prepare these applications in good faith, in accordance with the funding rules and with substantial support provided by universities. If the ARC's processes are resulting in projects being recommended for funding that the Government does not believe represent value for money or the national interest, then we should work collectively to address those concerns and develop better guidelines and processes. This should include drawing on the recommendations of recent reviews, rather than relying on a Ministerial power of veto.

The most successful research and innovation systems globally are characterised by strength, expertise and capability in a diversity of disciplines, and funding avenues that support this diversity. Independent, expert assessment of research funding applications ensures a broad spectrum of the highest quality basic and applied research proposals across all disciplines. It nurtures the complex interdependency between basic and applied research, as well as encouraging interdisciplinarity, both of which are essential for genuinely transformative research that has impact and can be translated to improved outcomes for society.

We strongly support independence of the ARC for the reasons outlined in this submission.

Yours sincerely,

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<sup>4</sup> <https://www.sydney.edu.au/content/dam/corporate/documents/about-us/governance-and-structure/university-policies/2018/dvcr-submission-to-hor-research-efficiency-inquiry-final.pdf>