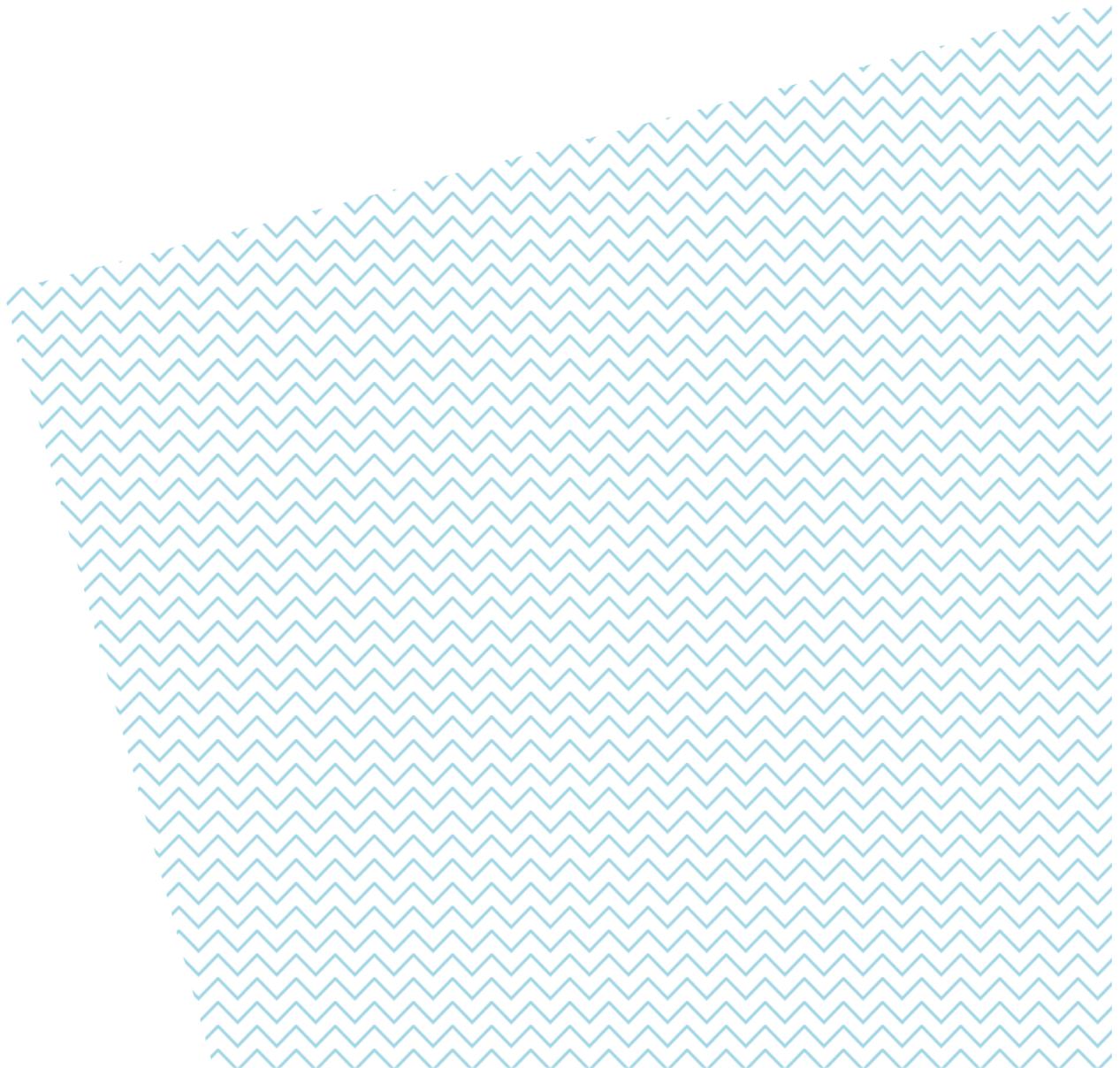




Australian Research Council Amendment (Ensuring Research Independence) Bill 2018

Submission to the
Senate Education and Employment Legislation Committee

25 February 2022



Ensuring research independence

The University of Melbourne welcomes the opportunity to make a submission to the Senate Education and Employment Legislation Committee regarding the *Australian Research Council Amendment (Ensuring Research Independence) Bill 2018*.

The ARC is established as an independent Commonwealth body under the *Australian Research Council Act 2001* (ARC Act). The Act gives the Minister the final approval decision over research grants in the Discovery and Linkage programs that have been recommended for funding by the Australian Research Council (ARC). The intent of the Bill is to remove Ministerial discretion in decisions about the award of specific grants administered by the ARC.

Research and discovery are core to the progress of society and Australia has built a reputation over many years as a leading nation in terms of the quality of its scholarship. From fundamental scholarship to the application of innovations, the advancement of knowledge brings untold benefits to Australian and global communities. Basic research and applied research are interdependent and both crucial to Australia's research and innovation ecosystem. Government funding plays an essential role in driving Australian research excellence, including in 2021-22 \$490M for the Discovery program and \$327M for the Linkage program.

The quality, integrity, and good management of Australian research is intrinsically tied to the established system of 'peer review' of research funding, a process whereby academic experts independently evaluate the quality, significance, and expected benefits of research projects. Peer review ensures that decisions about the merit of research proposals are led by specialists and subject to rigorous scrutiny and consideration from multiple perspectives. Government, supported by the ARC's strategic and administrative functions, plays the vital role of setting and implementing broader strategic goals and national programmatic priorities, which are reflected in the grant application selection criteria and the College of Experts' assessment.

Recent and increasing instances of ministerial veto of the College of Experts' recommendations on research grants represent a marked deviation from the long-established system of peer review. It has put Australia out of step with the research funding approach of comparable countries, such as the United Kingdom (UK) and the United States (US). This Senate inquiry is a timely opportunity to affirm the centrality of peer review to determinations about research funding, while also highlighting the need for further consultation with government, the research sector and industry about governance, policy and practice, and mutual expectations for Australian research.

For more information or to discuss this submission, please contact Professor James McCluskey AO, Deputy Vice-Chancellor (Research) on dvc-research@unimelb.edu.au or 03 8344 3238.

Summary of recommendations

In summary, the University makes the following recommendations:

1. *Peer review of research proposals*: In place of the existing Ministerial discretion, the ARC Act should be amended to enshrine the Haldane Principle and affirm that decisions about the research value of applications remains with the ARC College of Experts.
2. *Transparency*: If agreement cannot be reached for Ministerial discretion to be removed from the ARC Act, the veto power should be codified along with a requirement for a detailed explanation against set criteria as to the reason, within a statutory time frame.
3. *Timeline for funding announcements*: In line with good governance and efficient conduct of Australian research, announcements of outcomes of funding rounds should be made in a timely manner to allow for proper planning.
4. *National Interest Test*: While it serves a purpose in explaining the value of a research proposal in plain language, the National Interest Statement should not displace or override the formal selection criteria for grant programs and should not be solely relied on as a determinant of research funding.
5. *Consultation on ARC and governance*: An independent review of the ARC and its governance, with comprehensive sector consultation, would be a valuable contribution to enhancing current research funding processes, in view of recently announced Australian Government reforms and expectations.

The importance of the integrity and independence of the academic peer review system

The University of Melbourne is committed to the highest quality research that is in the national interest. The University unequivocally endorses the integrity and necessary independence of the academic peer review system – as adopted by the ARC and the National Health and Medical Research Council – in making considered evaluations about research quality and significance in its advice to government. These judgments, made by experts and guided by established and rigorous systems of extensive review, are also the most reliable means for assessing the quality, expected benefits, and value-for-investment of proposed research.

The peer review process is a trusted arbiter of scholarly excellence. It is a cornerstone in the award of competitive research grants and underpins Australia's international reputation as a research powerhouse. This system also provides protection of fundamental pillars of research, being academic freedom and freedom of speech.

Grants recommended by the ARC for funding have typically received up to six or more independent and separate evaluations by researchers. This includes written assessments by specialists in the particular focus area of the research grant and reviews by College of Expert members who, as senior and esteemed researchers in the wider discipline area, have the breadth and depth of knowledge to evaluate and rank the quality and benefits of individual grants. Individual assessor reports for each grant are moderated by the College of Experts and the merits and final ranking of projects are debated and determined in meetings of the relevant ARC Selection Advisory Committee.

Peer review works alongside national priorities

The Australian Government does, and should continue to, set broad strategic goals or in some cases very specific missions for the allocation of public funding. The ARC is required to implement the government's nominated priorities and the government is free to amend the selection criteria for ARC grants.

However, in line with good governance – and with the globally recognised Haldane Principle dating from 1918¹ – specific project funding recommendations and decisions should remain with the ARC College of Experts, who are senior researchers in relevant disciplines equipped to make informed judgements about the significance, quality and benefits of research proposals. The University unequivocally recommends that the Haldane Principle is enshrined in the ARC legislation.

Notwithstanding this, we note evidence of reluctance among the Australian Government and the Federal Opposition to removing the Ministerial veto in the ARC Act. Governments rightly argue that they are accountable for the expenditure of significant taxpayer funds and the setting of national priorities and must be able to exercise their powers to deliver on that accountability.

Codification of the Haldane Principle would not inhibit the setting of national priorities or the implementation of those priorities through ARC programs and strategies. Australian Government priorities and national interest considerations flow on to the selection criteria for grant applications and inform the deliberations of experts, as well as the structure and shape of ARC funding programs and missions.

The University believes that accountability for responsible expenditure of public funds on research is well served by the peer review processes adopted by the ARC and the NHMRC and other international research councils. While there is always room to improve peer review processes, it is currently the most reliable system we have for ensuring high-quality research that is in the national interest. The extensive scrutiny which grants receive occurs within the strategic direction set by the Government and includes an assessment of national benefit. This system ensures the Minister can have confidence in relying on the requisite expertise and knowledge of the Expert Council when approving grants.

International comparisons: the United Kingdom (UK) and United States (US)

Australia is not alone in seeking to find the right balance of national priorities, researcher-directed discovery research and assessment of national benefits of specific projects. Looking at Australia's equivalents around the globe, it is apparent that the Haldane principle has been broadly adopted and accepted in mature democracies like the United Kingdom, New Zealand, and the United States.

¹ The principle of the autonomy of the research councils in the UK dates back to 1918 and is named after Richard Haldane, who in 1904 and from 1909 to 1918 chaired committees and commissions which recommended this policy, which has evolved over time since then. See the [Haldane Principle](#).

The United Kingdom's funding council is the UK Research and Innovation (UKRI). Importantly, UKRI's funding decisions are explicitly made independently from government, as per the Haldane principle. Further, the Haldane Principle is enshrined at s103 in the Higher Education and Research Act 2017.

In the US, in January 2022 the White House Office of Science and Technology Policy (OSTP) released a report entitled 'Protecting the integrity of government science', which reaffirms "scientific integrity – based on rigorous scientific research that is free from politically motivated suppression or distortion." The report, led by a taskforce of 67 members appointed from 29 US government agencies, asserted: "Public trust in government and science is enhanced by minimizing conflicts of interest in the funding and conduct of science by the Federal Government. The public is best served by science that is free of political, ideological, financial, and corporate influence." This principled and pragmatic position applies equally to the Australian research context.

Australia benefits from the international collaboration of its researchers, which brings the best talent and ideas to Australia in a globally competitive market for mobile talent. There is a risk, where there is ambiguity around the exercise of Ministerial powers in research funding, that it will undermine Australia's reputation and discourage international researchers from collaborating and/or relocating to Australia.

The need for transparency and timeliness of Ministerial decisions

In addition to review of the Ministerial veto, the current debate provides an opportunity to codify requirements around transparency, timeliness of Ministerial decisions and ARC governance.

Transparency

If the veto were to remain in place – against the widespread recommendations of the broader research community and sector – and be exercised by the Minister of the day, then it is reasonable for the research community and public to be advised of the reasons behind the veto of specific projects. Currently the exercise of the veto power is opaque and there is no process for appeal. This could be addressed by the establishment of an appeals mechanism, that is more than a review of administrative process, to allow for substantive review of the basis of the decision to veto the research funding.

For example, in the scenario of the 2018 Ministerial vetoes, applications initially recommended by the College of Experts were rejected by the Minister and subsequently placed high on a list of unsuccessful grants. This led applicants to believe that their application had been unsuccessful based on rankings from the peer review process rather than through Ministerial veto. This has understandably raised concerns about transparency and integrity in the research funding decision making process.

Currently, there is a Senate Order for the Production of Documents in place that requires ARC grant recommendations received by the responsible Minister in the previous month to be published by the 15th day of each calendar month. However, there is no trigger for the transparent disclosure of Ministerial veto of those recommendations. As such the University recommends that any exercise of a veto power should be codified along with a requirement for a detailed explanation against set criteria as to the reason, within a statutory time frame.

Timeliness

The timeframe for research funding announcements is an associated issue that is relevant to this inquiry. There can be a lag of up to three months between when the College of Experts makes recommendations on a funding round, and the outcomes being announced.

The timing of grants announcements was raised by the Australian Parliament's Joint Committee of Public Accounts and Audit Report 484 'The Administration of Public Grants' in December 2020, which endorsed 'greater consistency in the timing of announcements and notifications, and the provision of appropriate feedback to applicants'.

When outcomes are announced towards the end of the calendar year it can create significant challenges to research institutions and researchers at all career stages. It particularly affects early career researchers and those on fixed-term contracts who may be dependent on salaried roles supported by ARC-funded grants. The extended delay adds to existing uncertainty about establishing the research project and forthcoming employment opportunities. The lag also inhibits institutional planning, as researchers and departmental leaders await news on funding outcomes prior to confirming teaching and research commitments for the following year.

In line with good governance and efficient conduct of Australian research, announcements of outcomes of funding rounds should be made in a timely manner to allow for proper planning.

National Interest Test

The National Interest Test statement requires a short plain English explanation to communicate the value of publicly funded research to the Australian community. There is value in having a brief (150 words) and accessible explanation of the project as it can assist policy makers and non-academic readers to understand its aims and benefits. While intended to be a standalone explanation for a non-expert audience, the National Interest Statement alone is not sufficient grounds for determining whether a research application is in the national interest. The long-term benefits of a research project cannot always be readily known in advance or predicted based on a title or short summary. The full research grant application provides a more substantial and detailed explanation of the aims and intended impact of the research, including its feasibility and likely benefits. Proper and informed assessment of the full application against the selection criteria is necessary to make a considered and defensible judgement as to whether a particular project is in the national interest.

Review and consultation on ARC processes and governance such as industry experts

The Minister's Letter of Expectation released in December 2021 requires the ARC to 'strengthen the National Interest Test by enhancing industry and other end-users' involvement amongst other reforms to governance, CEO advisory council, and research expenditure in the national interest. The 2022 College of Experts nomination extract invites 'qualified people from a broad range of groups' to apply, including from industry and public sector organisations.

Where a broader range of non-academic experts is involved in ARC decisions on research funding, these representatives should be highly qualified against standard indicators, have extensive experience in research and development, and a demonstrated record of collaborating with researchers and supporting research translation. Any involvement of non-academic experts should also take account of the relevance of their expertise to the particular funding scheme and selection panel.

Given the passing of two decades since the ARC Act was last reviewed holistically, and the significant changes proposed for the ARC programs and governance in recent months, it is timely to commission an independent review of the Australian Research Council and its governance to refresh its operations to navigate the opportunities and challenges ahead in supporting a world class research ecosystem in Australia. The University of Melbourne would be an active contributor to such a review.

Veto decisions are having a disproportionate impact on the humanities and social sciences

An emerging trend across instances of Ministerial veto is the disproportionate number of vetoed grants that are in the humanities and social science disciplines, where academic enquiry commonly overlaps with matters of fundamental importance for society and policy development. For example, addressing the pandemic has required vaccines and a public health response but it also requires new ways of approaching work, family life, education and schooling, early childhood, communication, culture, the arts and much more.

In the fields of research that inform these domains, it is essential that academics are able to undertake large-scale, complex programs of research free from the further influence of political interests. The knowledge they produce provides crucial 'outside perspectives' on phenomena within critical services and sectors that are often closely managed and funded by government. This is in the national interest, particularly in improving public policy. The higher risk of Ministerial veto in the humanities could have, over time, the effect of discouraging research applications, as researchers weigh up the difficult process of applying to the ARC with the risk of last-minute veto.

Recommendations

To affirm the centrality of peer review to determinations about research funding and to improve the governance of the ARC, the University makes the following recommendations:

1. *Peer review of research proposals*: In place of the existing Ministerial discretion, the ARC Act should be amended to enshrine the Haldane Principle and affirm that decisions about the research value of applications remains with the ARC College of Experts.
2. *Transparency*: If Ministerial discretion is not removed from the ARC Act, the veto power should be codified along with a requirement for a detailed explanation against set criteria as to the reason, within a statutory time frame.

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