

# Australian Research Council Amendment (Ensuring Research Independence) Bill 2018

IRU response – 25 February 2022

## Executive Summary

The Innovative Research Universities (IRU) welcomes the opportunity to make this submission to the Senate Education and Employment Legislation Committee on the Australian Research Council Amendment (Ensuring Research Independence) Bill 2018.

The Bill proposes to amend the Australian Research Council (ARC) Act to remove the Minister's discretion in approving research proposals recommended for funding by the ARC.

The IRU position is that the Bill raises important issues that warrant further consultation between government and the research community. The IRU is concerned about any interference in funding decisions about individual research proposals to the ARC, and we believe that this undermines the integrity and effectiveness of the research and innovation system.

We believe that protection of the integrity of the basic research funding system should be enshrined in legislation, similar to the Haldane Principle which was included in the *UK Higher Education and Research Act 2017*. We acknowledge that there may be very specific circumstances (for example, relating to national security) under which the responsible Minister may need the authority to require additional review of individual project proposals. But there should be a clearly defined process for this review and transparency about the process and outcomes.

The IRU incorporates eight research-intensive universities across every mainland State and Territory in Australia. The history of our member universities goes back to the 1960s and early 1970s when, under both Liberal and Labor governments, there was an expansion of new forms of higher education and research to meet the needs of the nation. Our universities are committed to inclusive education and innovative research that is connected to, and delivers impact for, our communities.

IRU believes that a high-quality and effective research and innovation system is critical for the future of Australia. As we emerge from the COVID-19 pandemic, research and innovation will power a new phase in Australia's economic and social development.

Basic research is a critical part of this larger research and innovation system. Basic research asks fundamental questions about the world around us and creates new knowledge, progressing in diverse and often unexpected ways. Universities play a crucial role in this part of the system, performing 90% of all of Australia's basic research, as well as 42% of its applied research.

The Australian Research Council (ARC) is the main funder of basic (or discovery) research in Australian universities, covering all disciplines except for health and medical research, which are supported by the National Health and Medical Research Council (NHMRC). Despite the importance and breadth of its role, the ARC remains a relatively small part of the larger system – according to the Australian Government’s Science, Research and Innovation Budget Tables for 2021-22, the ARC budget accounts for just 7% of total Australian Government investment in research and innovation.<sup>1</sup>

Australian Government funding for research supports a wide range of different agencies and programs, designed to achieve complementary but distinct goals. The IRU supports the current government’s focus on industry innovation and commercialisation through new funding for fit-for-purpose programs. In parallel, the ARC should be allowed to play to its strengths, supporting basic research across all disciplines, based on a peer review system in line with international best practice – this will provide the new knowledge that will lead to future innovations.

The generation of new knowledge is fundamentally different from other kinds of government grants programs, where desired outcomes may be known in advance. By its very nature, it is designed to draw on the breadth of expertise across the academic community to push into the most promising new areas. The rigour and quality assurance of the peer review process has delivered massive benefits to society and is recognised best practice across similar agencies in advanced democracies.

At the same time, given that this is public money that is being invested, there must be appropriate democratic oversight, accountability and transparency. Basic research funding should be informed by government priorities and be subject to review – for example, to ensure that there are not long-term gender inequities in funding decisions – but this should be at the level of the program or agency, not at the level of individual project proposals. International best practice is that strategic direction and policy is set by Ministers/governments, while micro-level decisions on individual project proposals are left to the peer review process.

The IRU is concerned by political interference in basic research funding decisions about individual projects, and believe that this undermines the integrity and effectiveness of the research and innovation system as a whole. Basic research funding is a small but crucial part of the larger system, which provides the new knowledge and discoveries for future applications.

We believe that protection of the integrity of the basic research funding system should be enshrined in legislation, similar to the Haldane Principle which was included in the *UK Higher Education and Research Act 2017*. Section 103 of the UK Act states that the responsible Minister must have regard to the principle that decisions on individual research proposals are best taken following assessment of their quality and likely impact through a process such as peer review.<sup>2</sup>

Former head of the US Office of Science and Technology Policy in the White House, Professor John Holdren, has said that interference in the peer review process leads to a degree of “cautiousness” in proposals which inhibits innovation and prevents high-risk, high-reward ideas from coming forward.<sup>3</sup> At a time when we want more new ideas coming through the system to drive greater impact and commercialisation, we should protect against a chilling effect on researchers developing proposals.

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<sup>1</sup> See <https://www.industry.gov.au/data-and-publications/science-research-and-innovation-sri-budget-tables>

<sup>2</sup> See <https://www.legislation.gov.uk/ukpga/2017/29/section/103/enacted>

<sup>3</sup> See <https://www.timeshighereducation.com/features/haldane-principle-obsolete>

We acknowledge that there are specific circumstances (for example, relating to national security) under which the responsible Minister may need the authority to require additional review of individual project proposals. An example would be if, following the recommendation of projects for funding by the ARC, the Minister was made aware by other government agencies of potential national security risks which required further investigation. But there should be a clearly defined process for this review and transparency about the process and outcomes.

We recommend that government consult more widely with the research community and with end-users of research on any changes to the governance and legislation for the ARC. The IRU position is that legislation for the ARC should protect against any political interference in funding decisions about individual proposals for basic research projects (adapting the Haldane Principle into the Australian context), while also allowing for appropriate democratic oversight in clearly defined circumstances and with transparent processes.