



The Hon Jason Clare MP
Minister for Education

Reference: MS22-000756

Ms Judi Zielke PSM
Chief Executive Officer
Australian Research Council
GPO Box 2702
CANBERRA ACT 2601

By email: ceo@arc.gov.au

Dear Ms Zielke

A handwritten signature in blue ink that reads "Judi".

I am writing to outline my expectations of the Australian Research Council (ARC).

The ARC plays a key role in facilitating world class Australian university research, including as the only Commonwealth research agency funding the body of basic research in all areas (excluding medical). Countries that produce the highest quality research have effective research councils that not only manage funding allocation processes, but also play a role in providing the feedback that shapes their research policy landscape.

This Letter of Expectations acknowledges the work of the ARC in supporting high quality university research and outlines my expectations in the immediate future.

Streamlining the processes undertaken during National Competitive Grant Program funding rounds must be a high priority for the ARC. As I have stated publicly, it is important that all future grants rounds are delivered on time, to a pre-determined timeframe. In considering improvements to the grants process, I ask that the ARC identify ways to minimise administrative burden on researchers. I also ask that the ARC advise me of any regulatory or legislative changes required to ensure grants rounds are delivered on time and to a transparent, predetermined timeframe.

It is my view that the National Interest Test (NIT) should continue, but should be clearer, simpler and easily understood.

I ask that the ARC develop processes and clear guidance that will minimise the workload for the sector associated with the application of the NIT and that you consult with the higher education sector and advise me on reforms to improve the NIT process.

I ask that you also consider how the NIT is applied to different grant categories, recognising, for example, that the Discovery Program includes fundamental research that by its very nature may not have a clearly defined application or outcome.

I also ask that you continue to ensure that the ARC assesses the NIT for each application in conjunction with the assessments from the expert peer review process, eligibility, and due diligence.

The Government expects that the ARC will focus on the impact of university research and its contribution to areas of national importance. In line with this, I propose that the role of the National Manufacturing Priorities in the Linkage Program grants consideration be replaced by priorities aligned to the National Reconstruction Fund. I also ask that you review the

Linkage Grant process with a view to drive more focused and scaled investment in key national challenges. It is important that the Linkage Program delivers impact with industry and aims to take research further along the translation pathway.

I note the work the ARC has recently undertaken to fast track the implementation of the outcomes from the review of the Excellence in Research for Australia (ERA) and Engagement and Impact (EI) assessments, and the early work with the Department of Education to develop metrics for both assessments.

I note the higher education sector's concern regarding the workload required for the current mode of delivery of the ERA assessment. It is important that the ERA process continues to be valued as an important source of information, in the context of the existing available evidence of the quality of Australian research.

In light of the sector's concerns about workload, I ask that you discontinue preparations for the 2023 ERA round and commence work to develop a transition plan, in consultation with the sector and my Department, to establish a modern data driven approach informed by expert review. In addition, I ask you to continue your work with my Department on developing research engagement and impact indicators to inform the Engagement and Impact assessments.

I ask you provide me with a transition plan by the end of 2022, which in addition to any recommendations from the ARC review, can be considered for implementation in 2024-2025.

Further, I ask that you look to enhance mechanisms that can identify the highest quality university research in Australia, particularly basic research, beyond the current functions of grants reporting. This would include improved collection and analysis of impact data to enhance the reporting on the impact value of grants funded so that more robust evaluations of ARC funded programs and initiatives can be undertaken.

As you are aware I have asked my Department to establish an independent review of the role and function of the ARC as set out in its enabling legislation. I recognise ARC's important role in supporting that review. I also ask that you undertake an internal financial sustainability review of the ARC and work with my Department to undertake a policy review of ARC programs to determine program needs following the review of the ARC legislation. This will lead to a broadening and deepening of the role of the ARC in strengthening relationships with the university research sector, industry, and government and establish a link to the Australian Universities Accord process.

I ask that the ARC continue to engage with the higher education sector and to work with me and my Department to drive high-quality Australian university research. The Government understands the importance of a strong Australian university research system and the valuable impact it has on the nation's economy and wider society. A renewed and refocused ARC will be strategically placed to effectively optimise that contribution.

I look forward to continuing to work with you in providing support to the Australian university research community.

Yours sincerely



JASON CLARE

26/8/2022