



Australian Government
Australian Research Council

ARC

12 December 2022

The Hon Jason Clare MP
Minister for Education
Parliament House
CANBERRA ACT 2600

Dear Minister

Thank you for your letter of 26 August 2022 outlining your expectations of the Australian Research Council (ARC). I am pleased to provide you with this Statement of Intent in response which outlines our work program across funding programs, research integrity and quality measurement, research policy advice and support for Australia's national research system.

The ARC has a proud history in supporting amazing research in Australia by our great researchers. We are critical to the national research system achieving excellent research and play a leading role in supporting Australia's highest-quality fundamental and applied research and research training.

You announced the Independent Review of the ARC on 30 August 2022 to consider the role and purpose of the ARC within the Australian research system so it can meet current and future needs and maintain the trust of the research sector. This presents a great opportunity to review our purpose and functions and modernise the ARC. The legislation has not been substantially reviewed since it was established more than two decades ago – yet the challenges and needs of the research sector are now very different. We will continue to support the Independent Panel undertaking the Review with resources and information and look forward to learning from the inputs provided to the process by all stakeholders. Alignment of our activities and those of the Panel is important to provide clarity for stakeholders, and we will continue to work with the Panel to achieve this.

As you know, the ARC has commenced a comprehensive reform agenda to enable the agency to be fit for purpose and future focused to meet the needs and expectations of the Australian Government, research sector, and the community. This builds on the *ARC Strategy 2022–2025* (ARC Strategy) which was released on 30 August 2022, setting out the vision and ambition for the agency to 2030. Our aim to support world-class research and innovation for the advancement of Australian society will remain at the forefront of our strategic thinking and actions. We look forward to working with all our partners and stakeholders to implement the ARC Strategy.

+61 2 6287 6605
ceo@arc.gov.au
arc.gov.au

Level 2, 11 Lancaster Place
Canberra Airport ACT 2609
GPO Box 2702, Canberra ACT 2601

In view of the Australian Government's commitment to delivering the Uluru Statement of the Heart, the ARC is well positioned to strengthen its collaborative work with Aboriginal and Torres Strait Islander researchers. We worked closely with Indigenous Australian researchers and the Australian Bureau of Statistics to include Indigenous studies as a field in the Australian and New Zealand Standard Research Classification (ANZSRC) 2020. Building on this platform, and with the expertise of the Indigenous Studies Excellence and Engagement Group, we co-designed an important roadmap for the implementation of Indigenous studies in Australia's national research assessments ([Indigenous studies | Australian Research Council](#)). The supplementary materials developed are now being utilised by all universities and researchers to support the roll-out of the new FoR 45 (Indigenous field of research) and in ensuring meaningful reporting based on accurate data. The strategies provided in the roadmap support universities to take a leadership role, by highlighting and promoting the value of Indigenous/First Nations research and engagement with Indigenous/First Nations perspectives and increasing the visibility of Indigenous research and its important contribution to Australia.

Strengthening engagement with the research sector

Core to our strategy is direct, open and collaborative engagement with the research sector which is pivotal to strengthening the innovation pipeline and basic research in all non-medical areas and enabling strong collaboration between the research sector, industry and end-users. Australia can and should be a leading country when it comes to enabling and capturing the sort of breakthrough research that delivers far reaching benefits for its people, broadening our social and cultural achievements and creating new opportunities for industry and community organisations.

This commitment has been warmly welcomed by the sector and has already delivered notable outcomes, with recent initiatives benefiting from constructive engagement. The research community's contribution has been invaluable for the ARC's ability to deliver streamlined, simpler guidelines and application forms for the three new Industry Fellowships schemes. This high level of engagement and collaboration is also reflected in the proposed amendments to the Linkage Projects Guidelines that have been reviewed in Stage 2 of the National Competitive Grants Program (NCGP) Process Review work.

It has also made a significant difference to the quality of the new benchmarking methodology that the ARC will pilot as part of the future arrangements for the performance measurement of research quality. Significantly, this should be a feature in our response to your request that the ARC strengthens its ability to identify the highest quality university research in Australia, particularly basic research.

We have also initiated the establishment of a new, high-calibre data capability and approach to improve how the ARC collects, analyses and leverages output and impact data across all its activities. This will see improvements in advice to you on the impact of research, infrastructure and training activities, as well as the sharing of data to the sector that will reduce duplication and burden. It will also position the ARC to provide you, and through you the Government, high-quality, future-focused advice on research matters and help to shape Australia's research policy landscape.

+61 2 6287 6605
ceo@arc.gov.au
arc.gov.au

Level 2, 11 Lancaster Place
Canberra Airport ACT 2609
GPO Box 2702, Canberra ACT 2601

National Interest Test (NIT)

We conducted extensive consultation with the sector between May and October 2022 about how to improve the NIT process and more recently how to make it clearer, simpler and easier to understand. This included focused engagement with early and mid-career researchers, a range of discussions and workshops with the ARC College of Experts, Deputy Vice Chancellors of Research, and significant consultations across the sector about its perceived impact on fundamental or discovery research.

Subsequently we finalised the review and worked with you to achieve an outcome that was a clearer, simpler and easier to understand process which includes two key steps. Deputy Vice Chancellors Research will certify the NIT statement, confirming that the statement clearly and simply explains the benefit of the research to Australia. In addition, the NIT statement will now be used by assessors when they are considering the benefit and impact of the proposed research in the ARC peer assessment process.

This outcome was announced on 30 November 2022 and has been well received by universities and researchers. The NIT changes will significantly reduce the administrative burden for universities and researchers and makes it easier for researchers to show how their research will improve the lives of Australians. The simplified NIT supports and reflects the value of applied research and fundamental ‘blue-sky’ research, which benefits Australians now and into the future, including through strengthening our national knowledge base.

Streamlining National Competitive Grants Program arrangements

The ARC has taken steps to reposition itself as a leader in innovative grants program design and delivery in the global research sector, leveraging best-practice principles and an outcomes-focused culture. The first stage of the NCGP Process Review was completed in July 2022.

Stage 1 identified ways to lift unnecessary burdens on university research offices and researchers by streamlining and improving the efficiency and effectiveness of processes, eliminating redundancies and leveraging existing data and systems, such as university credentialling of applicants. It also identified strengthened and more targeted communication activities and greater transparency of processes as critical steps for the ARC to take. We have already utilised these initial findings in the design of the new Industry Fellowships Program (IFP).

Subsequent work includes:

- Stage 2 – application of the learnings and consultation on the Linkage Projects Guidelines (August – October 2022)
- Stage 3 – application of the learnings and consultation on the Discovery Program Guidelines (February – June 2023).

Having completed Stage 1 of the NCGP Process Review in parallel with the co-design workshops for the IFP, it was pleasing to be able to incorporate the early learnings into the Guidelines and program documentation for the IFP which was launched in August 2022. We've already received great feedback on the improvements in the IFP design and the reduction in unnecessary burden in program documentation and processes, and greatly appreciate the input provided by so many stakeholders to achieve this.

In August 2022, we consulted with the universities regarding the schedule of grants schemes with a view to:

- spread out the closing dates for various schemes to try and minimise timing conflicts and peaks in workload for research offices and our team
- reduce the length of time between closing applications for a scheme and decisions being announced.

In response to feedback, a new Grants Calendar was issued in September 2022 that clarifies timing for the announcement of outcomes for a scheme round and reduced the identified timeframe for an announcement from a three-month window down to a fortnight. This reflects your views on the importance of the ARC delivering on time and to a pre-determined timeframe. To date we have met the published timeframes and we will continue to work diligently to continue to deliver in this regard.

Consultation on Stage 2 regarding the Linkage Projects Guidelines commenced in August 2022, and you have approved revised guidelines providing significant streamlining changes. We will commence a similar process in regard to the Discovery Program Guidelines in the new year with a view to completing the work prior to commencing a policy review of all our NCGP schemes in April 2023.

These reforms will transform NCGP processes, reduce the information collection burden and improve timelines and stakeholder understanding of grant processes.

Policy review of ARC programs

You asked that we work with the Department of Education to undertake a policy review of ARC programs to determine program needs following the Independent Review of the ARC. This presents a substantial opportunity to take a fresh look at the significant policy drivers for supporting university research and the associated impact on Australia culturally, environmentally and economically. This policy review will draw on the recently released ARC Strategy and the findings of the Independent Review of the ARC, due in March 2023, to better help us serve the research sector and advance Australia's interests.

The basic outline of our programs has not been reviewed in over 20 years, and this will enable these drivers to be considered in the context of a modern research sector and system, with a contemporary operating environment. We will use the policy review to develop mechanisms that position ARC funding schemes, including the Linkage Program, to drive more focused and scaled investment in key national priorities, including the National Reconstruction Fund (NRF). This is a substantial activity which will progress well into 2023-24.

We have engaged closely with the Department of Industry, Science and Resources on the establishment of the NRF and have provided you with advice on how to incorporate Government priorities into program guidelines that you issue for the schemes. This approach also provides flexibility to adopt new priorities as they arise, enabling the ARC to continue to incorporate NRF and other key government priority areas within other NCGP schemes as they arise.

Improving the assessment and reporting of Australia's research quality and impact

Accurately monitoring economic, environmental, social and other impacts delivered through ARC funded research is central to communicating the value of university research to the Australian community. Effective use of data resources will enable robust evaluations of ARC funding programs and initiatives.

As outlined in the ARC Strategy, we are moving to enhance our post-project assessment mechanisms to identify the highest quality university research in Australia, particularly basic research, beyond our current reporting. This includes 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.

We have initiated evaluation activities that will provide assessment of the ARC's return on investment and the outcomes of NCGP funded research, including those relevant to the Government's broad strategic priorities. This work will be presented to you in the first half of 2023 along with options for longer term improvements to our assessment and reporting framework.

Discontinuing Excellence in Research for Australia (ERA) 2023 and developing a transition plan

As you are aware, we have discontinued the ERA 2023 process and have prioritised the development of a modern data-driven approach, informed by expert review. To this end, I established the ERA Transition Plan Working Group on 27 September 2022 to assist with the development of a transition plan to establish a data-driven approach to performance measurement of research quality. The working group has already provided tremendous input to our preparation of a transition plan, including:

- consideration of what form of assessment of research quality is required to meet the current and future needs of government and universities
- what principles could be applied to the design of an assessment system
- what can we learn from international comparators.

The transition plan will be delivered to you by the end of the year and will accelerate work already underway to streamline the evaluation program, including by merging the ERA and Higher Education Research Data Collection. The ARC will continue working with the Department of Education to develop research engagement and impact indicators to inform the Engagement and Impact (EI) assessment. Given the close relationship between ERA and EI, the transition plan will also address implications for EI 2024.

Undertaking an internal financial sustainability review

The opportunity to undertake a financial sustainability review of the ARC is significant and we have commenced activities to ensure that we fully assess the efficiency and effectiveness of the current organisation, to compare with the best-practice activities the ARC Strategy proposes. This work will include assessment of the outcomes of the NCGP Process Review, additional activities the ARC has been charged with in recent years, and recognition of the activities that have not been prioritised in recent years. I aim to provide the outcomes of this work to you in April 2023.

I and my team remain committed to delivering all of these priorities for the Australian people and supporting a world class research sector in Australia.

Yours sincerely



Judi Zielke PSM
Chief Executive Officer