



Australian Research Council Amendment Bill 2010

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Australian Research Council Amendment Bill 2010

Date introduced: 4 February 2010

House: House of Representatives

Portfolio: Innovation, Industry, Science and Research

Commencement: The Act commences on the day of Royal Assent.

Links: The [relevant links](#) to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

Purpose

The purpose of this Bill is to make funding adjustments to the *Australian Research Council Act 2001* (the Act) to facilitate the ongoing operations of the Australian Research Council (ARC) and implementation of three initiatives: research in Bionic Vision Science and Technology; the Super Science Fellowships Scheme; and National Information and Communication Technology Australia (NICTA).

Background

Australian Research Council

The ARC is a statutory authority within the Innovation, Industry, Science and Research portfolio. It advises the Government on research matters and manages the National Competitive Grants Program (NCGP) which it describes as ‘a significant component of Australia’s investment in research and development’.¹ According to its website, the NCGP program enables the ARC to support ‘the highest-quality fundamental and applied research and research training through national competition across all disciplines with the exception of clinical medicine and dentistry’.²

In addition, the ARC administers the Excellence in Research for Australia Initiative (ERA) which assesses the research quality within Australia’s higher education institutions.³

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1. Australian Research Council (ARC), ‘Welcome to the Australian Research Council website’, ARC website, viewed 11 February 2010, <http://www.arc.gov.au/>
 2. Ibid.
 3. Ibid.

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Bionic Vision

The Research in Bionic Science and Technology Initiative was developed in response to the 2020 Summit which was held in 2008.⁴ The summit comprised 1000 Australians invited by the Prime Minister to:

...shape a vision for the nation's future and explore new ideas and ways to meet the major challenges that lie ahead. Government does not have the monopoly on ideas—we need the contribution of all Australians to build a strong and successful future for our country...⁵

The idea that sprang from discussions at the Summit was to 'promote better commercialisation of intellectual property, by taking the lead in developing innovative health technologies, such as inventing a 'bionic eye' by 2020'.⁶ In response to this idea, the Government stated:

The Government is committed to supporting research where Australia is on the leading edge of innovation as a crucial investment in our nation's future. One such area is research into the bionic eye, which is a critical advancement for millions of vision impaired Australians and promises the development of technologies to translate into other areas of need. Australia is already a world leader in bionics based on our expertise in the bionic ear. The Government is committed to conducting a competitive grants process to fund this important work.⁷

In the 2009–10 federal Budget, the Government committed \$50 million over four years beginning in 2009–10 to:

Establish a competitive grant program managed under the Australian Research Council's Special Research Initiatives Scheme to facilitate research leading to the development of a functional bionic eye.

Funding will be available to assist up-front research efforts to prove the efficacy and biostability of implantable medical devices such as a bionic eye and to develop appropriate mechanical and software control systems. Funding will be awarded to organisations and associated partners that can best deliver a collaborative approach

4. Explanatory Memorandum, Australian Research Council Amendment Bill 2010, p. 1.

5. Australian Government, Responding to the Australia 2020 Summit, Canberra, 2009, p. 1, viewed 19 February 2010, http://www.australia2020.gov.au/docs/government_response/2020_summit_response_full.pdf

6. Ibid., p. 113.

7. Ibid., p. 113.

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that brings together specialists from a wide range of relevant fields to position Australia as a leader in bionic vision technology.⁸

On 15 December 2009, the Minister for Innovation, Industry, Science and Research nominated two research teams to share the \$50 million funding to develop a bionic eye. The first team comprises the Universities of Melbourne, New South Wales, Western Sydney and the Australian National University. Collaborators include the National ICT Australia, the Bionic Ear Institution and the Centre for Eye Research Australia. They will receive a grant of \$42 million. This ‘team will utilise technology that implants a device in the rear of the eye (the retina) to enable vision to blind patients suffering from degenerative retinal conditions’.⁹

The second team consists of Monash University and the Alfred Hospital to receive a grant of \$8 million. The second team intends to develop a device ‘that is implanted directly on the region of the brain that processes vision signals (the visual cortex). This will provide treatment for progressive blindness’.¹⁰

Super Science Fellowships Scheme

The Super Science Fellowship Scheme is part of the Super Science Initiative announced by the Government in the 2009–10 Budget. Super Science Fellowships, 100 in all, will be offered across targeted disciplines. They consist of doctoral fellowships that will allow the ‘most promising young researchers to work in areas of national significance, with 50 fellowships to commence in 2010 and 50 in 2011’.¹¹ Funding of \$29.7 million has been allocated over five years beginning in 2009–10 (including \$2.5 million in 2013–14) to provide two rounds of three-year fellowships.¹² Each fellowship will be worth up to \$72,500 per annum.¹³ Fellowships will be offered in three areas:

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8. Australian Government, ‘Part 2: Expense measures’, *Budget measures: budget paper no. 2: 2009–10*, Commonwealth of Australia, Canberra, 2009, viewed 19 February 2010, http://www.budget.gov.au/2009-10/content/bp2/html/bp2_expense-20.htm
 9. K Carr (Minister for Innovation, Industry, Science and Research), *\$50 Million Bionic Eye research projects announced*, media release, 15 December 2009, viewed 11 February 2010, <http://minister.innovation.gov.au/Carr/Pages/50MILLIONBIONICEYERESearchPROJE CTSANNOUNCED.aspx>
 10. Ibid.
 11. K Carr, *Super Science Initiative*, media release, 12 May 2009, viewed 15 February 2010, <http://minister.innovation.gov.au/Carr/Pages/SUPERSCIENCEINITIATIVE.aspx>
 12. Australian Government, ‘Part 2: Expense measures’, *Budget measures: budget paper no. 2: 2009–10*, op. cit.
 13. Department of Innovation, Industry, Science and Research, ‘Fact sheet: Innovation Powering Ideas: an Innovation Agenda for the 21st Century’, Canberra, 2009, viewed 15 February 2010,

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- space science and astronomy
- marine and climate science, and
- future industries research—biotechnology and nanotechnology.¹⁴

National ICT Australia

National Information and Communication Technology Australia (NICTA) is an independent company specialising in Information and Communication Technology (ICT) research.¹⁵ The Australian Government established NICTA in 2002 as part of the Backing Australia's Ability initiative. It is funded through the Department of Broadband, Communications and the Digital Economy and the ARC through the ICT Centre of Excellence program.¹⁶

In addition to federal funding, NICTA has additional funding from the Australian Capital Territory Government, NSW Government, Victorian Government and the Queensland Government. Certain universities also contribute funding and support such as the Australian National University, University of New South Wales University of Sydney, University of Melbourne, Griffith University, Queensland University of Technology and the University of Queensland.¹⁷

NICTA has been granted a four-year funding extension of \$185.5 million, beginning in 2011–12 that was announced in the 2009-10 Budget. In a Joint press release by the Minister for Broadband, Communications and the Digital Economy Senator Conroy and the Minister for Innovation, Industry, Science and Research, Senator Carr states:

NICTA is a world-class information and communications technology research and commercialisation facility that is a key asset in Australia's innovation system. It facilitates a national approach to ICT research with four state and territory government partners and participation by seven major Australian universities.¹⁸

Senator Conroy noted:

http://www.innovation.gov.au/General/Corporate/Documents/supersciencefellowships_budgetfactsheet0910.pdf

14. Ibid.
15. National ICT Australia (NICTA), 'About NICTA', NICTA website, viewed 16 February, 2010, <http://www.nicta.com.au/about>
16. Ibid.
17. Ibid.
18. K Carr and S Conroy, *Budget 2009: Providing certainty for National ICT Australia*, joint media release, 12 May 2009, viewed 22 February 2010, http://www.minister.dbcde.gov.au/media/media_releases/2009/036/

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With funding certainty to 2014-15, NICTA will continue to generate significant economic and social returns for the Australian community and attract increased investment from other partners.¹⁹

The Australian Research Council and the Department of Broadband, Communications and the Digital Economy will jointly fund NICTA. The ARC is responsible for half the funding allocation. The allocation for 2011–12 is \$50 million, \$25 million of which will be managed by the ARC, as shown in the Budget paper No. 2 for 2009–10.²⁰

National ICT Australia — funding extension

Expense (\$m)

	2008-09	2009-10	2010-11	2011-12	2012-13
Department of Broadband, Communications and the Digital Economy	-	-	-	25.0	23.8
Australian Research Council	-	-	-	25.0	23.8
Total	-	-	-	50.0	47.5

Committee consideration

The Senate Selection of Bills Committee deferred consideration of the Australian Research Council Amendment Bill 2010 at its 4 February meeting to its next meeting.

Financial implications

The Explanatory Memorandum states that the Bill will increase spending by \$889.6 million.²¹ It is difficult to see how this figure is derived from the information provided. The Bill proposes to amend section 49 of the Act to change existing annual funding caps.²²

Section 49 of the Act currently states ‘that the total of all approved amounts determined in respect of a year to which this Division applies must not exceed:

19. Ibid.

20. Australian Government, *Budget measures: budget paper no.2: 2009–10*, op. cit., p. 119.

21. Explanatory Memorandum, op. cit., p. 1.

22. Funding cap is defined in section 47 of the *Australian Research Council Act 2001*: ‘funding cap for a year to which this Division applies means the amount set out in section 49 for that year’.

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(j) for the financial year starting on 1 July 2009—\$656,260,000

(k) for the financial year starting on 1 July 2010—\$684,980,000, and

(l) for the financial year starting on 1 July 2011—\$731,649,000.²³

The Bill proposes to change the amount in subsection 49(j) to \$652,831,000, a *decrease* in the cap of \$3,429,000.

The proposed change to subsection 49(k) is \$695,860,000, an increase in the cap of \$10,880,000.

The proposed change to subsection 49(l) is \$774,169,000, an increase in the cap of \$42,520,000.

The sum total of these changes to the caps is \$49,971,000.

The Bill also proposes to set the cap for the year starting on 1 July 2012 at \$811,072,000.

Portfolio Budget Statements—Australian Research Council

Proposed expenditure under the Act as shown in the Portfolio Budget Statements for the ARC in the 2009–10 Budget is as follows:

Program 1.1: Discovery—research and research training

Australian Research Council Act 2001

Special Appropriations:	2009-10	2010-11	2011-12	2012-13
(\$000)	372,406	422,811	478,352	526,742

Program 1.2: Linkage—cross sector research partnerships

(\$000)	280,425	284,529	323,344	328,329
Total (\$ million)	652.8	707.3	801.7	855.0

There are differences between the amounts shown in Portfolio Budget Statements and the Bill as shown in the following table:

23. *Australian Research Council Act 2001*, section 49.

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	2009-10	2010-11	2011-12	2012-13
As shown in the Portfolio Budget Statements	<u>652.8</u>	<u>707.3</u>	<u>801.7</u>	<u>855.1</u>
<u>As proposed in the Bill</u>	<u>652.8</u>	<u>695.9</u>	<u>774.2</u>	<u>811.1</u>
<u>Difference</u>	<u>0.0</u>	<u>-11.4</u>	<u>-27.5</u>	<u>-44.0</u>

The figures for 2009–10 are identical but when the figures are compared for the later financial years, the funding caps proposed in the Bill are less than the proposed expenditure shown in the Portfolio Budget Statements.

Main provisions

Schedule 1

Division 1 of Part 7 relates to financial assistance for approved research programs. **Item 1** amends subsection 48(2) of this Division to include reference to the financial year starting on 1 July 2012.

As discussed above, **item 2** proposes to substitute paragraphs 49(j), (k) and (l) to amend the funding caps for the financial years starting on 1 July 2009, 2010 and 2011. **Proposed paragraph 49(m)** to be inserted includes a reference to the financial year starting on 1 July 2012.

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