
AUSTRALIAN DEMOCRATS MINORITY REPORT

1.1 In its December 1999 White Paper, *Knowledge and Innovation: A policy statement on research and research training* ('the White Paper'), the Federal Government proposed a series of reforms designed to encourage the development of a 'strong and vibrant research base'.

1.2 At the centre of these reforms is the restructuring of the Australian Research Council (ARC), to make it 'an independent and responsive ARC that is able to play a more strategic role in providing advice on the allocation of funding'. The changed role and functions of the ARC are set out in 2.2 of the White Paper as:

- an enhanced role in the provision of strategic advice to Government regarding research in the university sector;
- increased responsibility for the administration of research funding programmes for which funds will be appropriated under the new Act;
- a reformed governance and organisation structure reflecting the need to link university research with the innovation system;
- an enhanced capacity to identify and respond to emerging areas of research excellence; and
- an accountability framework emphasising transparency and performance.

1.3 The Australian Democrats do not believe that the Bills, as currently drafted, serve these aims, and will move to amend them accordingly.

Independence of the ARC compromised by the bill

1.4 The Government has touted these reforms as enhancing the independence of the ARC. In effect, the autonomy of the ARC has been undermined by a number of proposed reforms.

Power to initiate own inquiries

1.5 Under the proposed legislation, the ARC is to carry out ministerial requests for advice. However, the capacity for the ARC to carry out its own inquiries, as provided in the *Employment, Education and Training Act 1988*, into research-related matters has been removed.

1.6 These provisions may be contrasted with the legislation governing the operation of the National Health and Medical Research Council (NH & MRC), which provides that the NH & MRC may initiate its own inquiries.

1.7 In a climate of increased emphasis on the need for research, development and innovation, the role of the ARC in identifying research priorities and innovative capacity is more important than ever. Any diminution of this role will be strenuously resisted by the Australian Democrats.

1.8 The abolition of the National Board of Education, Employment and Training has already reduced the Commonwealth's capacity to undertake inquiries into education and training priorities. It is doubtful whether the Minister will be an adequate replacement for the ARC in undertaking similar inquiries in the research sector.

1.9 The Democrats endorse the comments of the Council of Australian Postgraduate Associations (CAPA) on this point:

A professional, independent and well-managed ARC with the capacity to initiate inquiries, is considerably better placed to identify emerging research issues than a Minister.²⁶

1.10 Certainly, the fourth role identified in the White Paper for the ARC, regarding the capacity of the ARC to identify and respond to emerging areas of research would appear to require the power to initiate its own inquiries.

Recommendation 1

That the Bill be amended to give the ARC the power to initiate its own inquiries.

Ministerial Accountability

1.11 The proposed legislation sets out a procedure for reporting of Ministerial directions to, and requests for advice from the ARC which the Democrats believe are inadequate to ensure accountability or transparency.

1.12 As presently drafted, the bill merely requires that the ARC annual report note any Ministerial direction or request. This departs from the current requirement that the Minister table all particulars of directions and requests for advice in a timely fashion.

Recommendation 2

That particulars of directions and requests for advice be tabled to both Houses of Parliament within 15 sitting days – echoing the provisions applicable to the NH & MRC.

Long-term, strategic planning role of ARC

1.13 The wide ranging powers of direction granted the Minister under this bill have the capacity to further undermine the independence of the ARC, and its ability to undertake the long-term planning and research in the area of research funding priorities.

1.14 The Australian Democrats endorse the concerns of the Council of Australian Postgraduate Associations on this point, that 'excessive ministerial direction will inevitably create a short-term focus'.²⁷

26 CAPA submission, p. 5.

27 CAPA Submission p. 6.

Recommendation 3

To ensure that the ARC is able to undertake its functions free from short-term pressures, the Democrats will move amendments to mirror provisions of the NH & MRC ACT to limit the scope of ministerial directions.

Strategic Plans

1.15 It is the view of the Democrats that the requirement that the ARC prepare annual strategic plans for ministerial approval may further subject the decision-making and strategic planning role to short-term pressures, as well as taking up resources better directed towards other strategic activities.

Recommendation 4

The Democrats will move to extend the period for strategic plans to a three-year basis.

Caps between programs

1.16 The Australian Democrats believe that the goal of establishing a more independent ARC, and enhancing the strategic decision-making capacity of the ARC requires that its powers be increased, and that the power to set caps between research programs is a power more appropriately the preserve of the ARC, than wholly that of the Minister.

Recommendation 5

That the bill be amended to give the ARC, rather than the Minister, the power to set caps between research programs.

Minister required to consult with ARC on funding decisions

1.17 The Democrats note the intent of Section 52(4) of the bill, that the Minister be satisfied with advice he or she receives on funding matters from the ARC.

1.18 However, the Democrats endorse concerns presented in evidence to the Committee that the qualification in the clause that the Minister is not required to rely on advice presented by the ARC goes further than required.

1.19 Evidence was presented to the Committee by the Federation of Australian Scientific and Technological Societies (FASTS) as to the desirability of having an independent body responsible for allocating research funding to ensure freedom from intervention on issues appropriately referred to an Institutional Ethics Committee. As FASTS note in their submission:

FASTS considers the matter of increased Ministerial powers a very serious issue. For the community to retain confidence in Australian research, then the ARC, together with Institutional Ethics Committees, must have, and be seen to have, an independence free from political influence.

Recommendation 6

That the bill be amended to ensure that the Minister must consult with the ARC, and make directions pertaining to specific grants only after such consultation, and with the recommendation or agreement of the ARC.

Student representation

1.20 The Australian Democrats have long been strong supporters of increased student representation in the management of issues and affairs which affect them. As noted by CAPA in its submission, research students perform approximately 60 percent of the research in universities, and produce approximately 35 percent of publications.²⁸

Recommendation 7

That a student representative be included on the ARC Board, either as an additional board member or non-voting associate member.

Appointment of CEO

1.21 The Democrats accept the concerns raised by the Australian Vice-Chancellors' Committee (AVCC) regarding good governance and the procedure for appointing the Chief Executive Officer of the Board.

Recommendation 8

That clause 34, and consequential provisions, be amended to provide that the Board, not the Minister, be responsible for appointing the Chief Executive Officer.

Australian Research Council (Transitional and Consequential Provisions) Bill 2000

1.22 This bill amends sections 17 and 23 of the Higher Education Funding Amendment Act 1988 to provide funding for the ARC and implement proposals contained in the 1999 White Paper to establish two competitive funding schemes: the Research Training Scheme (RTS) and the Institutional Grants Scheme (IGS).

Timeline for implementation of White Paper proposals

1.23 In presenting its White Paper on postgraduate research, the Government indicated that the proposals it contains would not be implemented until 2002. The Australian Democrats do not believe that this timeline needs to be brought forward, and will move to delete aspects of the legislation not dealing with the funding of the ARC.

Quantum of funding

1.24 Many of the submissions to the Committee argued that current levels of research and research training funding are inadequate to meet the needs of the sector, and that making these funds open to competition from private providers would place further pressure on institutions already struggling to meet Australian's ongoing and future research needs.

1.25 The bill provides for the transfer of \$700 million of funds from operating grants under Section 17 of the Higher Education Funding Act to a separate pool of funding under Section

28 CAPA Submission, p. 4

23 of that Act, opening up eligibility to that funding to institutions and organisations not listed in the Schedule to the Act.

1.26 Without a substantial increase in the quantum of funding to compensate for past cuts and the decline in research funding relative to GDP (7 percent since 1995-6), the possible diversion of funds away from public institutions to private organisations will exacerbate these pressures.

1.27 A number of concerns with this model have been presented to the Committee, and the Democrats agree with the National Tertiary Education Union that, as these changes are not related to the establishment of the ARC, and its ongoing funding, they do not need to be dealt with until these concerns are heard and considered.

Effect on existing cooperative research schemes

1.28 The Democrats note the concerns presented by the University of Melbourne Postgraduate Association regarding the degree to which opening public funding to competition may also undermine existing cooperative research schemes. The Democrats believe that these, and other concerns raised in other submissions and in evidence to the Committee, require further consideration, and that the timeline for any introduction of contestability to funding allocation should not be shortened, to allow these concerns to be considered.

Innovation Summit Implementation Group and Report of the Chief Scientist

1.29 The Democrats also place on record their concerns that the implementation of these changes may pre-empt the final response to the report of the Innovation Summit Implementation Group and the Report of the Australian Science Capability Review, by the Chief Scientist, Dr Batterham.

1.30 The Democrats believe the proposed changes to research funding contained in this bill need to be re-considered in light of the recommendations of these reports.

Australian Qualifications Framework and Accreditation

1.31 The Democrats note the concerns presented in a number of submissions regarding the power of the Minister to accredit institutions to access public funding through the Research Training Scheme and Institutional Grant Scheme.

1.32 The Democrats believe that the implementation of these proposals has the capacity to undermine State and national accreditation processes, including the listing of institutions eligible for public funding in Schedule A of the Higher Education Funding Act and on the Australian Qualifications Framework (AQF).

1.33 The Democrats are particularly worried that provisions may provide a means by which institutions may avoid accreditation processes by directly lobbying the Minister.

1.34 The White Paper states that a new independent Australian University Quality Agency will be established to ‘audit the quality of higher education institutions. Under this framework, the new Agency... will verify the claims made by institutions in their Research and Research Training Management Plans’.

1.35 The current bill exceeds the proposals contained in the White Paper, particularly with regard to accountability and transparency. The Australian Democrats do not see how the proposals in the bill in any way enhance accountability or transparency in the accreditation process, and will rather undermine existing and proposed processes of accreditation.

1.36 As the Committee of Deans of Australian Medical Schools stated in their submission:

At a time when Australia needs to increase its international competitiveness in our innovation systems through research and research training, it would seem contradictory to undermine established accreditation and quality processes.

1.37 This echoes the Government's commitments in the White Paper:

In a world in which geographic barriers to the provision of education and research are breaking down, the reputation and quality of universities, both individually, and collectively at the national level, becomes critical.

1.38 The Democrats endorse concerns presented to the committee that in assigning accreditation power to the Minister, we risk the perception of a quality higher education and research sector assessed by a transparent and accountable process.

Recommendation 9

That provisions under Section 23 (1D(b)) be deleted.

The Democrats reserve the right to move further amendments on these points.

Conclusion

1.39 The Australian Democrats do not believe the bills provide for an independent ARC, capable of achieving the goals assigned it in the White Paper. With investment in Australia's research capacity a rightly growing priority, it is important that the foundations of a transparent, accountable system of research funding allocation and future research planning are sound. The Democrats will move amendments to these bills to achieve that end.

Senator Natasha Stott Despoja