

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into the Office of the Chief Scientist

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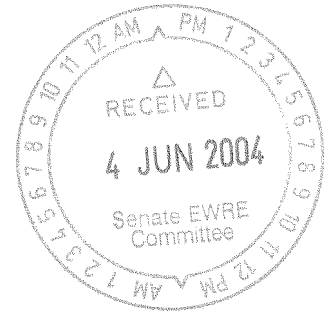
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Australian Government
Department of Education, Science and Training

OFFICE OF THE SECRETARY



Mr John Carter
Secretary
Senate Employment, Workplace Relations
and Education Committee
Parliament House
CANBERRA ACT 2600

Dear Mr Carter

I refer to the Senate Employment, Workplace Relations and Education Committee Inquiry into the Office of the Chief Scientist.

Please find attached a Submission from the Department of Education, Science and Training.

Yours sincerely

Dr Jeff Harmer

4/6/04

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SUBMISSION TO THE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE

The Department of Education, Science and Training (DEST) seeks to provide the following information to the Inquiry into the Office of the Chief Scientist being held by the Senate Employment, Workplace Relations and Education References Committee on 8 June 2004. The information follows the terms of reference of the Inquiry:

- a) The Functioning of the Office of the Chief Scientist;
- b) Potential Conflicts of Interest arising from the dual role; and
- c) Development of Criteria for the appointment of the Chief Scientist through legislation

(A) The functioning of the Office of the Chief Scientist

Appointment of Chief Scientist

Dr Batterham was appointed Chief Scientist on 20 May 1999 (by the then Minister for Industry, Science and Resources, Senator the Hon Nick Minchin); the Minister for Science, the Hon Peter McGauran, announced his reappointment for a three-year term on 20 May 2002.

The Government's policy is that the Chief Scientist be a part-time appointment of a person with active employment in a relevant field. The Chief Scientist's employment with Rio Tinto was known and taken into account at the time of his appointment. The Government is seeking a view on science, engineering, technology and innovation which is current, well informed and independent of the bureaucracy.

At the time of Dr Batterham's initial appointment in 1999, Senator Minchin said: "Dr Batterham has been Managing Director, Research and Technology Development at Rio Tinto since 1995. His experience in both the public and private sector will ensure he plays a major role in promoting linkages between science, industry and government, which are critical if we are to have an innovative, knowledge-based economy."

Dr Batterham's continuing involvement in industry while he is Chief Scientist, gives his advice to Government greater currency and relevance.

The Chief Scientist is held in high regard by the science, research and business communities. He is diligent in ensuring that his role as Chief Scientist is kept separate from his role of Chief Technologist at Rio Tinto. One reflection of Dr Batterham's high professional and personal standing is that he has been awarded the following honours, awards, fellowships and offices in major professional societies:

- An Officer of the Order of Australia (2004).
- Institution of Chemical Engineers (IChemE) Medal (2003).
- Fellow and past Councillor of the Australian Academy of Technological Sciences and Engineering.
- President, International Mineral Processing Congress (1991-94).
- President of the Institution of Chemical Engineers (2004).

- Corresponding Member, Swiss Academy of Engineering Sciences (2002).
- Foreign fellow of the United States National Academy of Engineers.
- Fellow of the Australian Academy of Sciences.
- Fellow of the Australian Institute of Company Directors.
- Committee service for the Australasian Institute of Mining and Metallurgy.
- Committee member, Industrial Research Institute of the USA.
- Councillor, Australian Minerals Industry Research Association.
- Chairman of International Network for Acid Prevention.

A brief history of the position of Chief Scientist is at **Appendix A**.

Other Models of Chief Scientist appointments

The appointment of the position of Chief Scientist on a part-time basis is not unusual.

Both the Queensland and Western Australian State Governments have appointed a Chief Scientist, and the New South Wales Government recently put forward a recommendation to establish an Office of the Chief Scientist.

The Queensland Chief Scientist is a new position established by the Queensland Government. The Queensland Government has made the position a part-time one. The Queensland Chief Scientist reports to the Minister for Innovation and Information Economy, the Hon Tony McGrady MP. His duties include meeting formally with the Premier four times a year, reporting annually to Cabinet, liaising with State, Commonwealth and interstate Ministers, State Members of Parliament, and heads of departments from Queensland and other governments.

The Victorian Government has also made the position of Chief Scientist a part-time role. However, unlike Queensland and Western Australia, the Victorian Government employs four part-time consultants as four Chief Scientists. The Victorian Chief Scientists report to the Minister for Primary Industries, the Hon Theo Theophanous.

Western Australia has made the position of Chief Scientist a full-time role in the Western Australian Office of Science and Innovation. The Western Australian Chief Scientist provides support to the Western Australian Premier, the Hon Dr Geoff Gallop, and the Western Australian Cabinet on policy formulation and decision making in relation to science and innovation.

In October 2000, the UK Government appointed Sir David King as the Chief Scientific Adviser and Head of the Office of Science and Technology. The UK Chief Scientific Adviser is a part-time role. He continues as the 1920 Professor of Physical Chemistry and Fellow, Queens' College, University of Cambridge, where his research role is maintained.

The Chief Scientist's Role (as specified in his contract)

When Dr Robin Batterham became Chief Scientist in 1999, he was appointed with a deed of appointment with the then Minister for Industry, Science and Resources, the Hon Nick Minchin. The Chief Scientist's appointment was renewed by contract signed on 29 May 2002 for the period 1 June 2002 until 31 May 2005. The changes to the terms of the contract were technical ones reflecting administrative changes since 1999 as well as correcting an error in the original contract (Chief Scientist is Executive Officer of PMSEIC not Chair).

According to the terms of the current contract between the Chief Scientist and the Minister for Science, the Chief Scientist's duties include, but are not limited to:

- providing advice to the Prime Minister and the Minister on such matters affecting science, engineering and innovation as the Prime Minister and the Minister request;
- drawing to the Minister's attention emerging issues in science, engineering and innovation that may affect the national well-being or require attention by the Government;
- chairing the Standing Committee of the Prime Minister's Science, Engineering and Innovation Council and acting as the Council's Executive Officer (this will include overall management of the Council's working parties and coordination of their reports);
- assisting in the coordination of government activities in science, engineering and innovation; and
- fostering close and effective working relationships between the Government and organisations with responsibilities for science, engineering and innovation including particularly the Australian Academy of Science, the Australian Academy of Technological Sciences and Engineering, the Institution of Engineers Australia and the Federation of Australian Scientific and Technological Societies.

The Chief Scientist is also required to act in accordance with the Australian Public Service Values and Code of Conduct contained in Sections 10 and 13 of the *Public Service Act 1999*.

The Chief Scientist is bound by the confidentiality clause of the contract (clause 13) to treat information disclosed by the Prime Minister or the Minister as confidential, not to be disclosed or made public without prior written approval.

Further, clause 11 of the contract states that all property and copyright in any material produced in the performance his duties will vest in the Commonwealth. The Chief Scientist is not permitted to use any Deed Material "for any purpose other than for the purposes of this Deed without prior approval in writing from the Minister".

A copy of the Chief Scientist's contract (with Dr Batterham's address deleted) is at **Appendix B**.

Policy advice

The Chief Scientist may be asked to provide advice on particular issues, or offer advice on his own initiative.

The Chief Scientist's advice may be informal or developed through structured processes. The latter was the case with the November 2000 report *The Chance for Change*, developed prior to the Government's formulation of *Backing Australia's Ability*. *The Chance for Change* was prepared by the Chief Scientist and a group of experts, included extensive consultations, and was one source of advice that the Government drew on in formulating *Backing Australia's Ability*. Similarly, the *Expert Advisory Group* that provided advice to Government on national research priorities included Dr Batterham as a member, and its work involved analysing information in hundreds of publicly available submissions.

Accountability

The Chief Scientist is accountable to the Minister for Science. Under the terms of his contract with the Minister for Science (clause 17.1) the Minister for Science may terminate the Chief Scientist's engagement for any reason at any time.

In recent times there have been requests for the Chief Scientist to appear before Senate Estimates. The Minister for Science has indicated that the Chief Scientist's appearance at Senate Estimates would not be appropriate on the grounds that:

- He is contracted to the Minister for two days per week and he is not a public servant nor part of the Department;
- His remit is to promote linkages and to provide independent policy advice to government across a number of portfolios;
- He has no government decision making authority and no role in budgetary matters or line management within the Department; and
- Questions relating to the Chief Scientist's activities can be satisfactorily answered by relevant Department of Education, Science and Training (DEST) officers as the Department provides the support staff for the Chief Scientist.

As far as DEST can ascertain, no Chief Scientist has appeared before a Senate Estimate Hearing.

Dr Batterham has appeared before two Parliamentary Committees as follows:

- Dr Batterham appeared before the Senate Employment, Workplace Relations, Small Business and Education References Committee in his capacity as Chief Scientist on 22 June 2001 to make a submission about the capacity of public universities to meet Australia's higher education needs.
- Dr Batterham also appeared before the House of Representatives Standing Committee on Science and Innovation, in his capacity as Chief Scientist, on 2 December 2002 and 24 November 2003 to make a submission on the economic benefit for Australia from greater private sector investment in research and development; the impediments to business investment in research and development; and the steps that need to be taken to better demonstrate to business the benefits of higher private sector investment in research and development

Executive Officer of the Prime Minister's Science, Engineering and Innovation Council (PMSEIC)

PMSEIC is the Government's principal independent source of advice on science, engineering and innovation. PMSEIC is not a decision-making body.

The Council is chaired by the Prime Minister, and is made up of ministerial members, representatives of science, technology, engineering and industry bodies, and personal members. The Chief Scientist is its Executive Officer. The Council meets twice a year (usually June and November).

As Executive Officer, the Chief Scientist briefs and supports the Prime Minister and others, particularly the Minister for Science, the Minister for Education, Science and Training, and the Minister for Industry, Tourism and Resources. This includes liaising with their offices on agenda items and briefing for each Council meeting. The agenda for meetings are approved by the Prime Minister's Office.

The Chief Scientist maintains regular contact with many Council members, including Ministers.

The Secretariat for PMSEIC is provided by the Office of the Chief Scientist in the Department of Education, Science and Training.

A list of current and past members of PMSEIC is at **Appendix C**.

Chairman of the PMSEIC Standing Committee

The non-ministerial members of PMSEIC constitute its Standing Committee, which is chaired by the Chief Scientist. It meets four times a year, twice after the full Council meetings, and twice at other times of the year.

Working groups which prepare independent reports and presentations for PMSEIC meetings are usually chaired by Standing Committee members, each supplemented by up to ten leading experts from the private sector, universities, and research bodies. The Chief Scientist takes an oversighting role on the membership and terms of reference of the working groups, and maintains an overview of their progress in preparing their reports to PMSEIC, providing guidance as necessary. The content of a Working Group's report is the responsibility of the Chair and members of the Working Group.

The identification of topics for consideration by PMSEIC working groups involves a process of discussion at Standing Committee, inviting suggestions from Standing Committee members, government departments and Ministers who are PMSEIC members and science and innovation leaders. The final decision is made by the Prime Minister in consultation with the Minister for Education, Science and Training and the Minister for Science. Working groups exist only until the completion of their reports and presentations to PMSEIC.

A list of the papers prepared and presented by the independent working groups for each PMSEIC meeting is at **Appendix D**.

Other Chief Scientist Activities

Among the Chief Scientist's principal roles in 2003 were his activities as Chair of the Science and Innovation Mapping Reference Group which published its report, *Mapping Australian Science and Innovation: Main Report*, in 2003.

Dr Batterham chaired the Consultative Panel that worked with the science community to develop the national research priorities announced in December 2002. He subsequently participated in the panel (chaired by Dr Jim Peacock) which was established to better reflect the contributions of the social sciences and the humanities to science and innovation. The enhanced national research priorities were announced by the Prime Minister in late 2002.

In 2000-2001 he was a member of the Panel that assessed applications and provided recommendations for funding under the Major National Research Facilities Programme.

He has continued as a member of the Science Prizes Committee that makes recommendations for the award of the Prime Minister's Prize for Science, the Malcolm McIntosh Prize for the Physical Scientist of the Year and the Science Minister's Prize for the Life Scientist of the Year.

Since he has been appointed Dr Batterham has published four reviews:

- *Australia's Science Capability (2000);*
- *Marine Research in Tropical Australia (2001); and*
- *The Review of External Earnings Targets Policy applying to CSIRO, Australian Nuclear Science Agency and the Australian Institute of Marine Science (2002).*

Dr Batterham was a member of the National Innovation Summit Implementation Group in 2000. His report *The Chance for Change: final report by the Chief Scientist (November 2000)* was part of the advice considered by the Australian Government as it developed *Backing Australia's Ability (2001)*. His advice was also sought in the development of *Backing Australia's Ability- Building our Future through Science and Innovation (2004)*.

Dr Batterham is an *ex officio* member of the Board of the Australian Research Council, the Commonwealth Coordination Committee on Science and Technology and the Commonwealth, States and Territories Advisory Council on Innovation.

He has continued his membership of the Cooperative Research Centres Committee, a position he had held prior to his appointment as Chief Scientist in 1999.

At the request of the Queensland Government Dr Batterham is an adviser to the Board of the Australian Institute for Commercialisation. At the request of the Victorian Government he is a member of the Innovation Economy Advisory Board.

Dr Batterham is a Fellow of the Australian Academy of Science and of the Australian Academy of Technological Sciences and Engineering.

Since Dr Batterham's appointment as Chief Scientist, he has made more than 230 presentations and speeches to a wide range of audiences.

A list of Dr Batterham's presentations is at **Appendix E**.

Office of the Chief Scientist

The Office of the Chief Scientist is a section within Science Group in DEST. It currently has 9 staff of whom one provides full-time support for the Chief Scientist; and several others spend part of their time supporting the Chief Scientist. There is also an additional officer employed by the Department of Industry, Tourism and Resources, who has been seconded to the Office of the Chief Scientist on a temporary basis. In addition to providing support for the Chief Scientist, the Office

also provides secretariat and other support for PMSEIC, the PMSEIC Standing Committee, PMSEIC Working Groups and the Commonwealth Coordination Committee on Science and Technology (CCST).

The Office undertakes a wide range of activities in support of the Chief Scientist including:

- Research into science, technology and innovation issues;
- Monitoring developments in science and innovation in Australia and overseas;
- Liaising with other Australian Government agencies which have interests and responsibilities for science and innovation;
- Developing networks with academia, universities, and PMSEIC members;
- Liaising with State and Territory Governments through State-based Chief Scientists and relevant agencies;
- Developing speeches, presentations and other papers that the Chief Scientist delivers;
- Providing formal and informal briefings for the Chief Scientist's meetings; and
- Managing the Chief Scientist's diary (in consultation with the Chief Scientist's Rio Tinto support staff).

Staff in the DEST Office are not involved in any of the Chief Scientist's work as Chief Technologist for Rio Tinto. The Chief Scientist's personal assistant at Rio Tinto works with staff in the DEST Office by re-directing phone calls and correspondence to the Chief Scientist, balancing the Chief Scientist's diary commitments with those of his role as Chief Technologist and making his travel bookings, and facilitating Government contact with the Chief Scientist when he is in Melbourne.

As well as providing direct support for the Chief Scientist, the Office of the Chief Scientist provides secretariat and other support for PMSEIC (2 meetings per year), the PMSEIC Standing Committee (4 meetings per year) and the PMSEIC working groups (generally 6 groups per year meeting around 4 or 5 times each (ie 25 – 30 meetings per year)). It also provides the secretariat for the CCST (3 meetings per year).

The Chief Scientist is also able to draw on the broader resources of DEST on an ad hoc basis as needed.

Office of the Chief Scientist Budget:

2003-04 allocation:

Salaries		\$680,160
General Administration Expenses		\$ 40,000
Specific Administration Expenses		\$340,000
PMSEIC	\$210,000	
CCST	\$ 5,000	
Chief Scientist	\$125,000	
TOTAL		\$1,060,160

(The above figures do not include general Departmental overheads)

The estimated cost of staff (salaries) for direct Chief Scientist support is around \$300,000.

The amount of \$125,000 allocated for the Chief Scientist above includes travel costs, travel allowances and reimbursement to Rio Tinto for secretariat support provided from the Melbourne Office.

Chief Scientist's Remuneration, Travel and other Costs

Under the terms of his contract with the Minister for Science:

(clause 3, Remuneration):

"3.1 The Chief Scientist will be remunerated for performing his duties under this Deed at the annual rate determined from time to time by the Commonwealth's Remuneration Tribunal. The current rate is \$90,500."

An amount of \$94,120 per annum is currently paid to the Chief Scientist as specified under the Remuneration Tribunal determination for an average of 2 days work per week. The Remuneration Tribunal recently amended the determination, so that from 1 July 2004, the Chief Scientist will be paid \$98,710.

(clause 4, Allowances and Expenses)

"4.1 When undertaking travel within Australia in the performance of his duties the Chief Scientist will be entitled to a travelling allowance, per overnight stay, as determined by the Remuneration Tribunal as a Tier 1 appointment.

4.2 When undertaking overseas travel in the performance of his duties the Chief Scientist will be entitled to a travelling allowance at a rate equal to the rate payable to the Secretary of the Commonwealth Department of Education, Science and Training.

4.3 When travelling by air in the performance of his duties the Chief Scientist will travel:

- (a) if travelling with or representing the Prime Minister or the Minister, first class;
- (b) in any other case, business class;

at the cost of the Commonwealth.

4.4 The Commonwealth will reimburse the Chief Scientist for reasonable expenses incurred in performing duties under this Deed other than those referred to in clauses 4.1 to 4.2 on the submission by the Chief Scientist of a correct invoice for payment.”

The Chief Scientist's travel allowances have been paid at Tier 1 level (ie Secretary of Department) in accordance with the Remuneration Tribunal determination since his appointment.

The Chief Scientist has his salary paid in arrears by electronic funds transfer to a nominated account with a financial institution of his choice located in Australia.

DEST pays an amount equivalent to 9% of the Chief Scientist's annual remuneration in superannuation contributions to AGEST (Australian Government Employees Superannuation Trust).

In accordance with clause 4.4 of the Chief Scientist's contract, the Chief Scientist is able to claim reimbursement of reasonable expenses incurred in performing his duties. Any claim by the Chief Scientist for reasonable expenses (eg airfares, travel allowance, etc) must be approved by the Delegate. The Delegate who approves the Chief Scientist's expenses must be able to justify the decision and satisfy public scrutiny, on the grounds of economy, efficiency and probity. The Chief Scientist shares this responsibility and is personally responsible for adhering to the DEST Travel Policy and is accountable for expenditure incurred.

A list of international travel undertaken by the Chief Scientist, in his capacity as Chief Scientist, is at **Appendix F**. A list of domestic appointments outside of Melbourne is at **Appendix G**. A list of the Chief Scientist's meetings with the Prime Minister, the Minister for Science and other Ministers is at **Appendix H**.

Security Clearances and Security of Commonwealth Material used by the Chief Scientist

Sensitive and/or classified Commonwealth material is held by the Chief Scientist in his role as an adviser to the Science and Innovation Committee of Cabinet, and more generally as a policy adviser to the Government.

An inspection of the security arrangements in place for the Chief Scientist's Office at Rio Tinto, Melbourne, is undertaken periodically and was last undertaken by the DEST security adviser on 25 May 2004. He has indicated that storage of material, security processes and handling of electronic material is consistent with Australian Government requirements.

The Office of the Chief Technologist at Rio Tinto currently has four part-time staff who, as part of their duties, provide support for the Chief Scientist. There is also an additional full-time staff member who offers limited advice to the Chief Scientist. The Chief Scientist has obtained security clearance at the Top Secret level, in accordance with clause 5.1 of his contract. His personal assistant has also obtained security clearance at Protected level. Only the Chief Scientist and his personal assistant have access to any sensitive materials. The other Rio Tinto staff members do not have any access to any sensitive materials.

(B) Potential conflicts of interest arising from the dual role of the Chief Scientist

The potential for conflict of interest issues to arise through concurrent employment with Rio Tinto has always been recognised and is explicitly dealt with in the Chief Scientist's contract of employment. The contract also deals with appropriate standards of behaviour.

Conflict of interest provisions in the Chief Scientist's contract

Contract

Under the terms of his contract with the Minister for Science,

(clause 14, Applicable Law):

- "14.2 The Chief Scientist will, in carrying out his duties under this Deed, at all times act in compliance with the laws of Australia in an honest and ethical manner and in accordance with the Australian Public Service Values and Code of Conduct contained in sections 10 and 13 of the *Public Service Act 1999*."

AND

(clause 16, Conflict of Interest):

- "16.1 The Chief Scientist warrants that to the best of his knowledge after making diligent inquiry, at the date of signing this Deed, no conflict with the interests of the Commonwealth exists or is likely to arise in the performance of duties under this Deed except for a conflict that may possibly arise by virtue of his employment by Rio Tinto Services Limited.
- 16.2 If a conflict of interest arises or appears likely to arise, the Chief Scientist agrees to:
 - (a) notify the Commonwealth immediately in writing;
 - (b) make full disclosure of all relevant information about the conflict; and
 - (c) take such steps as the Commonwealth may reasonably require to resolve or otherwise deal with the conflict.
- 16.3 If the Chief Scientist does not notify the Commonwealth or is unable or unwilling to resolve or deal with the conflict as required, the Minister may terminate the Chief Scientist's engagement, effective immediately."

Statement of Pecuniary Interests

Prior to his initial appointment, Dr Batterham provided advice to then Minister for Industry, Science and Resources of his pecuniary interests and Board memberships. That advice was updated in 2002 and again on 30 April 2004 to the Minister for Science.

Conflict of interest provisions applied by other bodies

Dr Batterham is a member of two bodies which have responsibility for making recommendations to Ministers about Australian Government funding - the Cooperative Research Centres Committee and the Australian Research Council Board. Dr Batterham does not chair either of these committees and is, like other members, subject to the conflict of interest rules put in place by each of them.

Cooperative Research Centres (CRC) Committee

The Chief Scientist is a member of the CRC Committee which has 13 members and is chaired by Dr Geoffrey Vaughan. The Committee is currently engaged in the 2004 CRC selection round. Dr Batterham participated in the Committee's meeting at which the Committee's decisions on Stage 2 invitations were taken. He has complied with the conflict of interest rules put in place for the process. A probity adviser attends all CRC Committee meetings dealing with the selection process to monitor proceedings and to provide advice as necessary.

The CRC Programme *Code of Conduct and Conflict of Interest Guidelines* which were provided to each CRC Committee member prior to the 10 February 2004 CRC Committee meeting, state:

"Committee and Panel members will advise the Chairman of the Committee or Panel in writing of any potential conflict of interest in relation to the CRC Programme, on appointment, at any time that such a conflict arises, or at any subsequent time as required by the Committee or Panel. If a member becomes aware of a conflict of interest during discussions in a meeting they will declare it orally in the meeting to the Chairman. All declarations of a conflict of interest shall be recorded in the minutes of the meeting and tabled at the next CRC Committee or Panel meeting.

Categories of Conflict of Interest

The following three categories of conflict of interest are to be used for the purposes of determining the appropriate response:

- **Category 1**
Those cases where, while it is appropriate and proper to notify the apparent conflict, the association with an application or an established CRC is of such a minor nature that it could not be reasonably construed as affecting the Member's ability to give the application or issue at hand full, unbiased and expert consideration.
- **Category 2**
Those cases where there is a clear association with the application or an established CRC which should be specifically made known to the Panel or Committee, but where it is not so direct that it should deprive the Panel or Committee of the Member's expertise and knowledge during the consideration of the application or the issue at hand.
- **Category 3**
Those cases where there is a clear personal involvement with an application or an established CRC (eg a Member is a key researcher or is similarly very closely involved within and responsible for the success of the proposal).

Unless the Committee determines otherwise:

- Members with category 1 conflicts should participate fully in the Panel's or Committee's deliberations and recommendations.

- Members with category 2 conflicts should participate fully in all Panel or Committee deliberations relating to the selection of an application or an established CRC, but
 - will not be given access to confidential parts of assessors' and referees' reports or to confidential material in agenda papers;
 - will not take part in any Panel or Committee decision, eg on whether or not to recommend the application for interview or for funding (although they may be present when these decisions are taken unless the Chairman otherwise determines); and
 - will not participate in the interview relating to the application.
- Members with category 3 conflicts should not participate in any discussion on that application, and
 - will leave the room, where possible, during such discussion of the application;
 - will not receive any referee or assessor reports on the application;
 - will not take part in the decision making in relation to the application; and
 - will not take part in any interview relating to the application."

A copy of the CRC Programme *Code of Conduct and Conflict of Interest Guidelines* is at **Appendix I**.

Prior to receiving copies of any applications in the current CRC selection round, each Committee member is required to consider a list of applicants and current CRCs and complete a conflict of interest declaration.

Each Committee member also completes a record of private interest statement which is used by DEST to identify potential conflicts of interest. (This advice is updated as members' circumstances change). Dr Batterham last provided that advice on 8 April 2004, prior to the 22 April 2004 CRC Committee meeting.

A copy of the private interest statement proforma and the conflict of interest declaration that members are required to fill out is at **Appendix J** and **Appendix K** respectively.

Australian Research Council (ARC)

Appointment

The position of Chief Scientist is an ex officio position on the ARC Board. Prior to the establishment of the ARC Board, Dr Batterham was an ex officio member of the Australian Research Council.

Board matters

The ARC has in place protocols and procedures for managing the risk of conflict of interest at all levels within the organisation. The guidelines (**Appendix L**) are set out in the ARC Administration Handbook. Management of conflict of interest is also addressed in induction sessions for Board members.

The requirement for ARC Board members to disclose pecuniary and other interests is set out in section 27 of the *Australian Research Council Act 2001* (the Act). Paragraph 22(2)(d) and subsection 29(4) of the Act require the Minister to terminate a Board member's appointment for failure to disclose interests without reasonable cause.

Conflict of interest (including pecuniary interest) has been made a standing item on the agenda for each Board meeting to allow members to disclose any interests in matters before the Board in a timely manner.

Unless the Board determines otherwise, a Board member who has disclosed an interest in a matter must not be present during Board deliberations on that matter and must not take part in decisions on the matter.

In any given instance, the Board determines whether an interest disclosed is material – the Board has determined that institutional affiliation is non-material, except in instances in which individual projects are discussed, and that members may be present, speak and vote on selection reports, funding rules and funding recommendations.

(C) Development of criteria for the appointment of the Chief Scientist through legislation

DEST sees no advantage in the appointment of the Chief Scientist on a statutory basis.

Further Information

Further information about the Prime Minister's Science, Engineering and Innovation Council (PMSEIC), its working groups and Standing Committee is available at: <http://www.dest.gov.au/science/pmseic/>

Further information about the Commonwealth Coordination Committee on Science & Technology (CCST), is available at: <http://www.dest.gov.au/science/ccst/>

Further information about the Cooperative Research Centres (CRC) Program is available at: <https://www.crc.gov.au/>