

## Democrats' Supplementary Report

3.1 The Australian Democrats dissent from the Chair's report and make the following comments about the Australian Research Council Amendment Bill 2006.

3.2 The Democrats believe a number of provisions of the Australian Research Council Amendment Bill 2006 threaten the Australian Research Council's (ARC) peer review process. Last year, we expressed concern that the Minister had intervened in the ARC's peer review process by vetoing some of the projects recommended by the ARC Board. We are concerned that the provisions of this bill provide increased opportunities for intervention by the Minister, thus diminishing the ARC's ability to fulfill its statutory functions - providing high quality recommendations on funding projects and high quality advice on research matters.

3.3 The Democrats note the evidence presented to the Committee that the abolition of the Board, purportedly in accordance with the recommendations of the Uhrig review, will remove a critical step in the grants decision process, potentially compromising transparency and accountability and rendering the ARC more vulnerable to political interference. Stakeholders were concerned about how this would impact upon the international reputation and integrity of the peer review process, as well as the Australian public's perception of research. The NTEU noted in their evidence that the Uhrig recommendations influenced the governance changes in the National Health and Medical Research Council Amendment Bill 2006, to create a "more accountable and independent NHMRC".<sup>1</sup> The NTEU asserts that it would not be inconsistent to interpret the Uhrig review as recommending retaining the ARC Board and providing it with more autonomy.

3.4 In addition, there has been insufficient explanation as to why the Government believes there is the potential for confusion between the responsibilities of the ARC Board and those of the CEO, which it argues, makes the removal of the ARC Board necessary.

3.5 Despite assurances in the Chair's report, the Democrats note and agree with evidence provided by FASTS and the AVCC that the bill will render the ARC unable to initiate its own inquiries. In its evidence to the Committee hearing, DEST asserted that in the new legislation, the ARC's CEO will be able to initiate inquiries under the Public Service Act. However, the Public Service Act does not make specific reference to the ability of the CEO to initiate inquiries. The DEST witness was later unable to unequivocally state that under the provision where the CEO has this power, the CEO does not need to consult with or get approval from the Minister in order to initiate inquiries. As FASTS asserted in its submission, a statutory requirement of the ARC in the Act is to "provide high level advice to the government on matters relating to research."<sup>2</sup> It is doubtful the ARC will be able to fulfill this role if it is unable to initiate its own inquiries without Ministerial approval.

3.6 The Democrats express our opposition to the provision in the bill diminishing the power of the Board to establish committees with the Minister's approval, and transferring this

---

<sup>1</sup> National Health and Medical Research Council Amendment Bill 2006

<sup>2</sup> Federation of Australian Scientific and Technological Societies - Submission to the Senate Inquiry into the Provisions of the Australian Research Council Amendment Bill 2006

power to the Minister. We agree with FASTS' concern that the bill does not require the Minister to "consult with the ARC on membership, terms of reference or appointments to committees" and that "This is not consistent with the policy intent that the ARC be an independent statutory authority".<sup>3</sup> If the ARC is to be an independent body providing high level advice of funding decisions, it must be able to decide its own appointments to its committees.

3.7 We question the bill's establishment of Designated Committees and the Minister's proposed powers over them, which include the power to establish and dissolve them at any time, and to determine their functions and composition. The only apparent safeguard is that the Minister must "try to ensure that the composition of the committee reflects the diversity of interests" in choosing members, however, there is no specific direction or guidelines to facilitate this process.<sup>4</sup>

3.8 The Democrats draw attention to the bill's impact on the status of the College of Experts, which plays a critical role in maintaining the peer review process. This legislation renders the future of the College of Experts uncertain. The Explanatory Memorandum states it will be maintained as a Designated Committee and will "continue to play a key role in the peer review process", however, this has not been enshrined in the legislation.<sup>5</sup>

3.9 The Democrats agree with reservations expressed by many of the submissions in regard to the College of Experts being maintained as a Designated Committee, meaning, it too, will be open to the same intervention as other Designated Committees. We agree with the NTEU's recommendation that this provision of the bill be amended to ensure the College of Experts "is listed in the Act and that it is not subject to the same Ministerial determinations as the 'Designated Committees'". However, we also assert that the ARC should be responsible for appointing members to its other committees.<sup>6</sup>

3.10 There has been inadequate information provided in relation to the scope and nature of the bill's proposed Statement of Expectation, to be issued by the Minister. It is unclear how the Minister will formulate this statement and if input from the research sector will be included.

3.11 We reserve our judgement on the Bill contingent on the resolution of the matters outlined above.

## **Senator Natasha Stott Despoja**

---

<sup>3</sup> Federation of Australian Scientific and Technological Societies - Submission to the Senate Inquiry to the Senate Inquiry

<sup>4</sup> Australian Research Council Amendment Bill 2006

<sup>5</sup> Australian Research Council Amendment Bill 2006 - Explanatory Memorandum

<sup>6</sup> National Tertiary Education Union - Submission to the Senate Inquiry into the Provisions of the Australian Research Council Amendment Bill 2006