

**AUSTRALIAN ACADEMY OF TECHNOLOGICAL SCIENCES
AND ENGINEERING**

Submission to the

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

on the

AUSTRALIAN RESEARCH COUNCIL AMENDMENT BILL 2006

The Australian Academy of Technological Sciences and Engineering (ATSE) notes the following key changes to the governance and operations of Australian Research Council (ARC), most of which are contained in the ARC Amendment Bill 2006:

- The Board is disestablished;
- The majority of the ARC functions are transferred to the CEO, including funding recommendations, administering programs and providing advice;
- The power and requirement to prepare strategic plans is transferred to the CEO but still requires approval of the Minister;
- An advisory committee is established in place of the Board to provide strategic advice/assistance to the CEO;
- The power to establish 'designated committees' is transferred to the Minister; and
- The power of the Minister to direct the ARC is transferred to power of the Minister to direct the CEO.

ATSE has two main concerns:

- That the changes will undermine confidence in the manner in which grant applications will be assessed and approved; and
- The changes further reduce the powers of the ARC, to provide high-level independent advice on matters concerning research.

While the removal of the Board will not prevent the ARC from carrying out its statutory duties, ATSE has difficulty supporting the proposal to remove the ARC Board and transfer responsibility for research grant funding from the ARC Board to an 'Executive Management' process through the CEO. The basis for the Academy's concerns are summarised below.

Credibility - The credibility of the ARC has, in recent years, been tested within the Australian research fraternity, largely because of ministerial actions. The existence of a

Board 'structure' provides a vital and necessary 'buffer' between the Minister and CEO and it seems inadvisable for the Minister to expose him/herself to potentially increased levels of criticism. ATSE suspects that removal of the Board will add to the risk of undermining the credibility of the ARC and reduce the confidence of Australian researchers in the ability of the ARC to carry out its functions. Perceptions are very important and it is critical that the ARC be seen by the research community, both locally and internationally, as the peak supporter of excellence in research rather than as an instrument of government policy.

International Standing - The ARC is, in many respects, seen as an international role model for research funding. Such criticism as there is of its operation derives more from the substantial number of quality applications that cannot be funded rather than any short comings in its governance. Indeed, if changes to its governance structure are to be made, ATSE would strongly support it being given full responsibility for decisions on funding allocations in order to strengthen public confidence in the integrity of the funding process and enhance the perceptions of its freedom from political interference.

The Role of the CEO - The removal of the Board will also place unnecessary pressures on the CEO and make the nature of the relationship between the Minister and CEO critical, especially with respect to the performance of the ARC and its credibility in the public domain. While in no way reflecting on past or present incumbents of the CEO role, the Academy believes the proposed changes could place an almost intolerable burden of responsibility on him/her to be seen to act fairly and in an unbiased and even handed manner in regard to different disciplines, institutions, and individuals. With a Board, there is a ready means to ensure the role is handled in a responsible manner and to dissipate the inevitable criticism of dissatisfied applicants; with the Board gone, the CEO's position could become an invidious one.

Governance - Governance is a complex issue in the ARC. The Minister has always had the power to overrule ARC recommendations and this is unlikely to change. This means that the governance responsibilities and consequently the autonomy of the Board are already somewhat diminished. The Academy is aware that, because of this, it has been argued that removal of the Board is of little consequence. However, ATSE firmly believes that improvements might be better achieved from more rather than less autonomy in the funding decision process accompanied as necessary by additional measures to ensure high levels of accountability for expenditure of public monies.

While some form of advisory committee could assume some of the present Board's role, ATSE believes there would be little prospect of attracting the type of industry and research leaders who are now actively involved, especially if it's advice could be ignored by the CEO and it had no responsibility for research funding allocations or policy. It is unlikely that the types and calibre of people currently on the ARC Board, and others like them, would wish to continue to be involved, meaning a loss of access to an unparalleled source of knowledge and experience. At the very least, if the ARC Board were to be

abolished, any advice provided by an advisory committee should be provided to the Minister, as well as to the CEO and, if appropriate, made available to the research community.

Peer Review - ATSE believes that it is critical for the ARC to retain peer review processes for research that are fully robust and totally independent. This is essential, not only to ensure confidence in, and integrity of, the research funding system but also due to the importance of Australia's standing and credibility in international research. Any shift to a perception that research funding is to an extent in the hands of Ministers or other third party experts will quickly undermine the reputation of Australian researchers in the eyes of their peers around the world.

College of Experts - ATSE also regards retention of the 'College of Experts' as being critical but has serious reservations with what is proposed. Currently, the ARC manages the nomination and selection processes for membership of the College, while the Minister approves the nominations. Under the proposed amendments, the Minister will be required not only to approve but also appoint the College. With the best will in the world this process runs the risk of accusations of potential bias or political influence. ATSE does not support this because:

- There is no requirement for the Minister to consult with the ARC on membership;
- There are serious concerns regarding the potential to 'politicise' the College; and
- Consequently, the opportunity for the College to provide high level independent advice is threatened.

ATSE therefore strongly recommends that the status quo for the nomination process be retained by the ARC.

Inquiries - The proposed legislation removes the power of the ARC to initiate inquiries into research of its own volition. Currently, the ARC Board is required to consult with the Minister before initiating any such inquiry. ATSE would argue that the independence of the ARC is brought into serious question if it needs Ministerial permission or a Ministerial reference to enable it to provide high level (and independent) advice on matters relating to research.

It could be argued that the Bill gives the CEO the power to do this. If the ARC Board is removed, ATSE would recommend that the Act provides the CEO, possibly on the recommendation of the proposed ARC advisory committee, with the power to initiate inquiries into matters relating to research on his/her own volition.

Pursuit of Excellence - It is widely agreed that excellence in research must remain the main criterion for receipt of public funding for research and it must be both used and seen to be used as the basis for allocation of funds. The scientific standing and independence

of the granting body are fundamental to maintaining the perception of excellence as the primary funding criterion, especially in an environment where many applicants are not successful and thus more than ready to blame “the system” for their failure to achieve funding.

The ARC has been at the forefront in promoting excellence in research in Australia. As noted above, ATSE acknowledges that it could be further improved and enhanced accountability measures could be established, but the Academy firmly believes that such improvements as might be achieved would flow from more rather than less autonomy in the funding decision process.

ATSE Recommends:

- the ARC Board be retained;
- a robust independent peer review process be acknowledged as essential to maintain confidence in the research funding process and the credibility of Australian research internationally;
- the power to nominate to the College of Experts be retained by the ARC; and
- the CEO have the power, under the authority of the Board, to initiate inquiries into matters relating to research of ARC’s own volition.

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