

Chapter 1

Introduction

Background to the bill

1.1 On 10 May 2007, the Parliamentary Secretary to the Minister for Foreign Affairs and Trade, the Hon Gregory Hunt MP, introduced the *Australian Centre for International Agricultural Research Amendment Bill 2007* (the bill) in the House of Representatives. On the same day, the Senate adopted the Selection of Bills Committee report No. 8 of 2007 which recommended that the provisions of the bill be referred to the Senate Foreign Affairs, Defence and Trade Committee for inquiry and report by 12 June 2007.

Purpose of the bill

1.2 The Australian Centre for International Agricultural Research (ACIAR) is responsible for assisting and encouraging agricultural researchers in Australia to use their skills for the benefit of developing countries, while at the same time working to solve Australia's own agricultural problems.

1.3 ACIAR is a statutory authority within the Foreign Affairs and Trade portfolio and is subject to the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997* (FMA Act).

1.4 The intention of the bill is to restructure ACIAR's existing governance arrangements to reflect the executive management model recommended in the 2003 *Review of Corporate Governance of Statutory Authorities and Office Holders* (the Uhrig Review), which examined and reported on improving the structures and the governance practices of Commonwealth statutory authorities.¹

1.5 The bill revokes ACIAR's body corporate status on the basis that:
retention of the Centre as a legal personality separate from the Commonwealth has been assessed as unnecessary given the Centre is budget funded, is a prescribed agency under the [FMA Act] and does not have any need to own assets in its own right.²

1.6 In addition, the bill creates the position of chief executive officer (CEO) in place of the current director, making the CEO directly accountable to the minister under the FMA Act. The bill abolishes the Board of Management and establishes a Commission (including the CEO) to provide expert policy and research advice to the minister. The current Policy Advisory Council (the Council), which includes key

1 ACIAR Amendment Bill 2007, *Explanatory Memorandum*, [p. 1].

2 ACIAR Amendment Bill 2007, *Explanatory Memorandum*, [p. 1].

overseas stakeholders, will be retained. The bill does not allow dual membership of the commission and the Council.³

1.7 The bill includes transitional arrangements to ensure these governance changes do not disrupt service delivery.⁴ The Hon Mr Hunt MP told the House:

The establishment of a commission and the position of CEO will not alter the functions of ACIAR. ACIAR will retain its capacity for collective decision making (through the new commission) while bringing its management under the CEO. These changes are consistent with the executive management template recommended by the Uhrig review.⁵

1.8 The changes are intended to improve governance and accountability in the Australian Centre for International Agricultural Research.

Submissions

1.9 The committee advertised the inquiry in *The Australian* on Wednesday 16 May 2007, and on the committee's website. It also wrote to a number of government agencies and organisations alerting them to the inquiry and calling for submissions to be lodged preferably by 30 May. The committee received one submission—a joint submission from the Department of Foreign Affairs and Trade (DFAT), Australian Agency for International Development (AusAID) and the Australian Centre for International Agricultural Research (ACIAR).

Acknowledgement

1.10 The committee thanks those who assisted with the inquiry.

3 ACIAR Amendment Bill 2007, *Explanatory Memorandum*, [p. 1].

4 ACIAR Amendment Bill 2007, *Explanatory Memorandum*, [p. 1].

5 The Hon Greg Hunt MP, Parliamentary Secretary to the Minister for Foreign Affairs, ACIAR Amendment Bill 2007, Second Reading Speech, *House of Representatives Hansard*, 10 May 2007, p. 6.