

PROVISIONS OF THE LEGISLATION

1.1 The Australian Research Council Bill 2000 and the Australian Research Council (Consequential and Transitional Provisions) Bill 2000 were introduced in the House of Representatives by the Minister for Education, Training and Youth Affairs on 7 September.

1.2 The bills were referred to the Committee by the Senate on 11 October 2000 on the recommendation of the Selection of Bills Committee. The Legislation Committee at its meeting on 31 October agreed to the proposed tabling date of 28 November and directed that submissions be called, and agreeing, finally, to a public hearing date of 14 November 2000.

Background to the bills

1.3 The Australian Research Council was originally established under the *Employment, Education and Training Act 1988*, as a subsidiary council of the National Board of Employment, Education and Training (NBEET). An amendment to the Act, passed earlier in 2000, abolished NBEET, but the Government's policy of retaining the Australian Research Council under its own legislation is to be implemented with this legislation.

1.4 Government policy in regard to the role and functions of the Australian Research Council (ARC) was indicated in the White Paper entitled *Knowledge and Innovation: A policy statement on research and research training*, released in December 1999. The White Paper proposed an enhanced role in the provision of strategic advice to the Government regarding university research; increased responsibility for the administration of research funding; increased capacity to identify emerging areas of research excellence; and capacity to link university research with business innovation.

1.5 In introducing the bills into the House of Representatives, the Minister, the Hon David Kemp MP, noted that the White Paper proposed a dual approach to funding research and research training in the higher education sector. Financial support in the form of performance based block funding would ensure the provision of a high quality environment for research and research training. Support would also be provided to outstanding individual researchers and research teams through competitive grants administered by the Australian Research Council.¹

Main provisions of the ARC Bills

1.6 The bill provides for the establishment of the ARC as an independent agency within the Education, Training and Youth Affairs portfolio, with the role of providing strategic policy advice to the government on research in the university sector. The ARC will also be charged with increasing awareness and understanding among the community of the outcomes and benefits of Australian research.

1.7 This bill establishes a new funding regime for a national competitive grants program, giving the ARC full responsibility for its administration. Through its system of peer review, the ARC will have an enhanced capacity to identify and respond to emerging areas of research excellence, as well as supporting Australia's traditional research strengths.

1 Hon David Kemp MP, *Hansard* (Representatives), 7 September 2000, p.18362

1.8 For the purposes of building links between higher education research and its users, the board of the ARC will consist of eight appointed members, reflecting the breadth of academic, industry and community interests in research and its outcomes, and five ex-officio members. These ex-officio members will include the secretaries of the Departments of Education, Training and Youth Affairs and Industry Science and Resources; the Chief Scientist; the Chair of the National Health and Medical Research Council; and the newly created position of Chief Executive Officer of the ARC. The Chair of the board is to be appointed by the Governor-General and all other board members, including the Chief Executive Officer, are to be appointed by the minister.

1.9 The ARC will, each year, produce a strategic plan for ministerial approval, outlining the objectives to be achieved over the next three years. The plan will include performance indicators, which will enable the performance of the ARC in meeting its goals to be assessed.

1.10 The ARC is required to make recommendations to the minister in relation to funding approvals, and the minister may rely solely on ARC recommendations, but is not required to follow ARC recommendations in all cases.

Australian Research Council (Consequential and Transitional Provisions) Bill 2000

1.11 This bill was considered cognately by the Committee. It implements a number of initiatives announced in the White Paper. There are important provisions in this bill which became issues for Committee consideration, as described in the next chapter. In particular, the bill provides that access to block funded schemes will be limited to those institutions that are listed in the Australian Qualifications Framework. Funds for the Research Training Scheme and the Institutional Block Grants Scheme are allocated on the basis of performance-based formulae which reward institutions' relative success in attracting research income.

1.12 The bill also repeals the *Employment, Education and Training Act 1988*.