

The Parliament of the Commonwealth of Australia

POSTGRADUATE AWARDS

Review of Auditor-General's Report No. 6 1989-90

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HOUSE OF REPRESENTATIVES

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House of Representatives
Standing Committee on Employment, Education and Training

November 1989

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MEMBERSHIP OF THE COMMITTEE

The House of Representatives Standing Committee on Employment, Education and Training was established by sessional order on 24 September 1987.

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The Inquiry

1. The Auditor-General's Report No. 6 on Postgraduate Awards was referred to the Committee by the House of Representatives on 31 August 1989.
2. Almost 6,000 Australian postgraduate students are undertaking research higher degrees. Of these, around 2,500 hold research awards. From January 1990 Australian Postgraduate Research Awards will be increased to \$12,734 and in some special priority areas to \$16,433. The awards are non-taxable.
3. The Committee advised relevant Government departments, higher education bodies and student associations of the Inquiry, and submissions were received from the Department of Employment, Education and Training and from the Australian Audit Office. A public hearing was held on Monday 27 November 1989 at which representatives of the Department of Employment, Education and Training appeared as witnesses (see Appendix 1).
4. Australian Postgraduate Research Awards will no longer be administered under the *Student Assistance Act 1973* from January 1990, when responsibility for the Awards will be devolved to tertiary institutions. This Report therefore highlights two issues which will have continuing relevance under the new administrative arrangements.

Audit Findings

5. The principal findings of the review by the Australian Audit Office were that the Department of Employment, Education and Training did not take steps to ensure:
 - that Award holders were either Australian citizens or had permanent residency status; and
 - that Award holders were not in receipt of other Commonwealth support.

Citizenship and Residency Status

6. Under the devolved arrangements to be implemented in 1990 the requirement that Award holders either have citizenship or have permanent status and have lived in Australia continuously for 12 months prior to the closing date for applications will continue to apply.
7. The Department of Employment, Education and Training advised the Committee that it had not been the practice to require verification of citizenship or residency, except in some cases where applicants were born overseas.

8. Representatives of the Department emphasised that the risk of award-holders not meeting eligibility requirements of citizenship or residency status was considered to be minimal on the grounds that individual scholars are assessed by institutions where they are well-known.

9. The Committee accepts that some existing procedures, such as the declaration of citizenship/residency status by the applicant, may serve to act as a deterrent to students providing false and/or misleading information. It is conceivable, however, that the new arrangements may increase the temptation for applicants to make false declarations on the assumption that the institutions, acting only as agents, are not accountable for how the funds are spent and may not be concerned about fraud.

10. The relevant regulation is quite explicit as to the pre-condition of citizenship or residency for eligibility: citizenship/residency status should be established prior to acceptance of an application.

11. The Committee believes that citizenship/residency status could be verified by the relatively simple procedure of requesting applicants to furnish their birth certificate, certificate of citizenship or proof of residency. Furnishing such documents is a standard requirement for employment with the Australian Public Service and is commonly included in proof of identity procedures for applicants for Government benefits, including AUSTUDY and even for licences to drive. Indeed, the devolution of administrative responsibility to higher education institutions will mean that applicants can more easily present original documents in person than they could under the centralised system.

12. The Committee therefore believes that a similar practice could occur in respect of the Australian Postgraduate Research Awards.

13. The Committee recommends that:

applicants for Australian Postgraduate Research Awards be required to furnish evidence of their citizenship and/or residency status.

Verification of Entitlement

14. Postgraduate Award holders are not entitled to receive assistance from another equivalent award/scholarship/salary from the Australian Government or its statutory authorities.

15. Representatives of the Department stated that the onus was on the Award holder to state whether he/she was in receipt of any other Commonwealth assistance.

16. While Departmental procedures for checking entitlement existed, they had not been applied comprehensively during 1987 or 1988. The Department claimed, however, that verifications of entitlement taken over several years by the State Offices had revealed virtually no instances of duplication with other Commonwealth assistance.

17. Representatives of the Department intimated that it was unlikely that Award holders could receive other Commonwealth assistance, particularly from AUSTUDY, as tax-file checks were conducted on AUSTUDY holders.

18. Under the new arrangements, administration of the Australian Postgraduate Research Awards will become more dispersed. Each tertiary institution will need to ensure that safeguards are in place against inaccurate declarations by Award holders.

19. The Committee accepts that tax-file checks may provide verification of entitlement. The Committee notes also that:

- all applicants for AUSTUDY must provide a tax-file number;
- all enrollees in higher education courses must provide a tax-file number;
- recipients of almost all government benefits must provide a tax-file number; and
- all employees in the workforce have a tax-file number.

20. In these circumstances, the Committee believes that it is both consistent and reasonable for all Australian Postgraduate Research Award holders to provide their tax-file number on the application form.

21. Accordingly, the Committee recommends that:

the Government consider requiring all Australian Postgraduate Research Award holders to provide their tax-file number on the approved application form; and

random checks be undertaken periodically by the Department of Employment, Education and Training to ensure that students are complying with the regulations relating to Australian Postgraduate Research Awards.

Conclusion

22. The Committee strongly supports the Australian Postgraduate Research Award scheme and commends its significant contribution to Australia's research effort.

23. The changed arrangements for administering the Postgraduate Awards place considerable responsibility on tertiary institutions for verifying the eligibility of Award holders.

24. Moreover, the magnitude of the task of administering the Awards is likely to increase as a consequence of the Government's acceptance of the recommendations of the Review of Commonwealth Postgraduate Awards recently completed by the Australian Research Council.

25. The Committee does not wish to stultify the operation of the scheme with the unnecessary application of cumbersome administrative procedures. Nevertheless, upon assuming responsibility for the Awards, tertiary institutions will need to ensure that their selection procedures provide adequate safeguards against error or deliberate fraud. It is in this spirit that the Committee has made recommendations relating to administrative processes.

26. The Committee believes its recommendations are fully consistent with verification procedures already in place in relation to most other government programs and that their implementation involves only a minor administrative procedure in return for a greater certainty that there are proper safeguards in place against erroneous payment or fraud.

JOHN BRUMBY, MP
Chairman

30 November 1989

APPENDIX 1: PUBLIC HEARING

Monday, 27 November 1989

Department of Employment,
Education and Training

Mr David Phillips
Assistant Secretary
Research Policy and Grants Branch

Dr Tony Gallagher
Director
Research Training Section
Research Policy and Grants Branch

