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## OPPOSITION SENATORS' REPORT

1.1 The Australian Research Council Bill 2000, and its companion bill, together represent a flawed attempt at establishing a proper legislative basis for the Australian Research Council. They represent also a wasted opportunity for the Government to show a strong commitment to research funding for universities, and they foreshadow an accelerated program for increased dependence of universities on their own commercial operations and on commercially sponsored research from outside the universities.

### **Power without policy**

1.2 Opposition senators have a number of reservations about these bills, notwithstanding the fact that the Minister, the Hon David Kemp MP, has taken some note of Opposition objections to the 1999 White Paper which forms the policy basis to this legislation. These reservations are dealt with below. It needs to be stated at the beginning, however, that the first and major concern of the Opposition is that, in the midst of all the Government's rhetoric on the dawn of a new age of research, there is not one additional real dollar for national research attached to this bill.

1.3 The Opposition's broad concerns about this legislation, extensively canvassed in the second reading debates in the House of Representatives, highlight particular contradictions in Government policy in regard to this legislation. In later paragraphs to this report problems and dangers are identified in relation to ministerial discretions that are exercised without proper parliamentary scrutiny. Yet, there is little indication that the Government is interested in showing leadership in arresting the decline in overall national research and development expenditure. Ministerial power is to be arbitrarily exercised within a policy vacuum. The point was made in evidence to the Committee given by the president of the Council of Australian Postgraduate Associations:

Research is fundamental to the whole innovation push that we are trying to develop in this country. The problem with the minister being able to control that totally—which is what he is able to do currently—is that you are setting up strong probabilities that short-term objectives, perhaps politicised objectives, will dominate agendas. Establishing new areas in research requires long-term investment, so you need a more strategic and longer term view. I can point to many examples around the world where governments have embarked on 10-, 20- or 30-year plans to develop particular research directions—for instance, the research triangle in North Carolina. That is another point. Understanding research is highly complex: it is beyond the scope of any one person—minister or otherwise—to understand all the relevant issues. That is why you need a professional, well-resourced organisation that can look broadly, and that is why you need an independent, broadly based Australian Research Council that can take all those things on board.<sup>15</sup>

1.4 Opposition senators argue, in support of this statement, that ministerial control is not the same thing as Government (or ministerial) leadership on broader issues of policy and funding, which is currently so lacking.

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15 Mr Bradley Smith, *Hansard*, Canberra, 14 November 2000, p.5

1.5 An element in the policy behind these bills suggests a refined version of a ‘growth through efficiencies’ policy which has been characteristic of funding of the vocational education and training sector. In these bills the emphasis on efficiencies is indicated by the advocacy of competitive funding processes and concerns about completion rates. Opposition senators observe that the Government is unable to acknowledge that the policy solutions it proposes are directed at a problem resulting from several years of inadequate government funding. Unless the decline in real funding levels for research is arrested and reversed, Australia will inevitably fall further behind in terms of international competitiveness.

### **Ministerial powers and accountability**

1.6 Under the proposed legislation, the minister assumes powers and discretions which are, in the opinion of a number of interest groups, excessive. These relate to matters of funding eligibility and to matters of ARC administration, matters of concern to Opposition senators considering these bills.

1.7 In the first of these issues, clause 52 of the ARC Bill allows a minister to ignore advice from the ARC in approving or rejecting a funding proposal. The Government argues that the minister must have a discretion to take note of other sources of advice, although without giving any reasons. Opposition senators agree with critics of the legislation who argue that issues of propriety arise here. As a submission from the Council of Australian Postgraduate Associations argues, ministerial veto potentially opens up research to allegations of ‘cronyism’ and may undermine peer review, verification and quality.<sup>16</sup>

1.8 There can be little argument that ministers should take a ‘hands off’ approach to direct funding decisions, even when the processes of peer review make ministerial intervention a risky practice. It is a minister’s role to give general policy direction and allow independent decisions to be made in accordance with these directions. At the very least the Opposition supports the recommendation made in the submission from the National Tertiary Education Industry Union that:

in the interest of maintaining the independence of decisions made in relation to research funding, any decision made by the Minister in relation to funding of research proposals should be on the advice of the ARC. At the very least, the Minister should be required to table in Parliament the particulars of any funding decision taken contra to recommendations made by the Council.<sup>17</sup>

1.9 The second issue of ministerial power was raised in a considerable amount of evidence presented to the Committee which was critical of the provisions giving to the minister powers more properly exercised by those whom the minister appoints to the Board of the ARC. A minister should be able to back his or her judgement in appointing the Board by remaining at arm’s length from ARC administrative processes. To this extent the drafting of the ARC Bill departs from traditional practice.

1.10 If the ARC is a truly independent body, charged with giving advice to a minister on research trends and in anticipating the unforeseen, it should have the power to initiate its own inquiries. The National Health and Medical Research Council has such an independent

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16 Submission No.2, Council of Australian Postgraduate Associations, p.17

17 Submission No.19, National Tertiary Education Industry Union, p.109

power, one reason for this being, no doubt, the obvious one that medical research is esoteric, and any ministerial interference in such matters would appear ludicrous. Beyond that, however, the ARC should be charged with the responsibility to maintain an oversight of trends and directions in national research policy, independent of immediate party political concerns and priorities. Therefore it is appropriate - even essential - that the Council have the power to initiate inquiries.

1.11 Strong evidence was given to the Committee from representatives of the Federation of Australian Scientific and Technological Studies (FASTS) about the consequences of misinformed decisions made by ministers in the face of professional scientific advice. Professor Sue Serjeantson referred to the British Government's BSE inquiry, in which it was found that public confidence in the Chief Medical Officer and in scientific advisory committees was put at risk by ministers' misuse of advice for political purposes. It was recommended that scientific advice should be seen to be objective and independent of government.<sup>18</sup>

1.12 Transparent processes are regarded very seriously by the academic community, not only because of the need to account for the expenditure of public dollars, but because academic research reputations are at stake. This perspective was explained to the Committee in the evidence presented by the Federation of Australian Scientific and Technological Studies. For FASTS, the current plan for the ARC as set out in the legislation is a pale shadow of what the organisation should be. Professor John White explained that the original concept was a 'rather grand' vision. Professor White questioned the need for such ministerial control.<sup>19</sup>

1.13 Opposition senators consider it desirable, therefore, that the ARC Bill be amended to allow a minister to make broad policy directives, and for a minister to routinely approve recommendations of the ARC Board which are made in accordance with a minister's directions. In addition, the bill should allow for the Council to initiate inquiries.

### **Parliamentary scrutiny of funding decisions**

1.14 This legislation, which gives increased discretionary power to a minister, compounds this deficiency by providing for reduced parliamentary scrutiny of ministerial decisions. The majority of submissions put to the Committee comment on the lack of transparency and accountability in funding processes. Under the current act, and under the National Health and Medical Research Council Act, the minister is required to table advice within 15 parliamentary sitting days. There is no good reason why this requirement should not be maintained under the proposed legislation. Opposition senators do not consider the listing of decisions in an annual report to be an adequate substitute for the tabling of decisions within a set time limit.

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18 Professor Sue Serjeantson, *Hansard*, op.cit, p.11

19 Professor John White, *Hansard*, op.cit, p.16

### Course completion and quality of research

1.15 The Government has seized upon postgraduate course completion rates as a major justification for the funding measures provided for in this bill. Early drafts of the 1999 White Paper proposed a maximum period of three and a half years to complete a Ph.D degree. It appears uninformed of the Government not to see the nexus between failure to complete courses and need for students to return to jobs in order to survive. Universities are found to be at fault for failing to nurture the academic progress of postgraduate students. This problem also, to the extent that it exists, is a consequence of the underfunding of universities.

1.16 The Government's particular mindset on this issue is closely related to the managerialist doctrine of university administration that is now prevalent: which is in turn the result of a crisis in funding. It is now considered desirable that research must be closely related to commercial values, even though the value of much university research lies in the generation of original ideas, or 'pure' research. Postgraduate students are the cheap intellectual labour upon which the research industry edifice is built. Such issues go to the core of quality research. The Committee noted in the submission from CAPA a concern expressed that eligibility criteria for research may be so prescriptive under the new bill that it is likely to entrench a tendency toward isomorphism between institutions. That is, that research would tend to become trapped in narrow paths and original ideas may not be developed or exploited. This would mean too much reliance on too narrow a range of input and output measures for funding purposes.<sup>20</sup>

1.17 Both the AVCC and CAPA drew the Committee's attention to the tenuous basis for the Government's reliance on non-completion rates as a reason for providing funding time limits on courses. It was claimed that the statistical basis of the figures used by the Government, showing high rates of non-completion was flawed. The AVCC told the Committee that it had sought in vain to have DETYA release the internal memorandum, and was now considering whether the AVCC should undertake its own survey of postgraduate students. Without access to DETYA's data it was not possible to assess its validity. The AVCC told the Committee that completions data did not tell a complete story. In particular it often failed to take into account people who were pausing in their studies.<sup>21</sup>

1.18 CAPA claimed that data about completions and attrition which had formed the basis of the White Paper was 'deeply flawed'. CAPA gave evidence that:

The claim is that 60 per cent have completed after seven years. Forty per cent of postgraduate research students are, in fact, part time. In the current funding arrangements there is five-year funding for doctorates, which could be 10 years for part time. Given that 40 per cent are part time, you would not have expected many to have completed within seven years. Because that data does not compress to effective full time it is highly misleading.

At other times the minister has claimed the attrition rate is too high. The data for the attrition rate is highly flawed. For instance, a higher degree research student submits their thesis and then ceases to be a student, and there can be a three-, six- or 12-month period for the examination process. Any student who is in that period is counted as an attrition in the data. To say that they are an attrition in any

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20 Submission No.2, CAPA, p.21

21 Mr Stuart Hamilton, *Hansard*, op.cit, p.23

meaningful sense of the word—say, drop out—is patent nonsense. That is the quality of data that has underpinned all the government’s arguments about completion rates, attritions and so forth.<sup>22</sup>

### **Funding eligibility: Research Training Scheme and Institutional Grants Scheme**

1.19 The Australian Research Council (Consequential and Transitional Provisions) Bill 2000 amends the Higher Education Funding Act 1988 to provide funding for two competitive funding schemes, the Research Training Scheme (RTS) and the Institutional Grants Scheme (IGS). Institutions registered with the Australian Qualifications Framework may apply for funds from the two new Schemes. The Opposition is concerned that a provision contained in clause 23 (1D) and (1E) will give a minister power to determine that non-university research bodies, including commercial research companies, will be eligible for funding under these schemes. The Labor senators note, however, that it is already possible for institutions and organisations other than universities to apply for research grants under the ARC Large Grants Scheme.

1.20 Of great concern to Labor senators is the potential eligibility of organisations other than properly-established universities to offer research training under the Research Training Scheme. This would effectively allow organisations not listed on the AQF register, and not duly accredited by the appropriate authorities, to teach postgraduate research students - and, presumably, to award degrees. While there are arguably separate legal impediments to the awarding of degrees by bodies not expressly accorded the power to do so by means of legislation, the concern here is that the bill allows the minister to circumvent existing higher education accreditation processes and structures. This could happen, theoretically, at the whim of a minister. It undermines the integrity of existing structures and processes, and also flies in the face of the intentions underlying the new Australian Universities Quality Agency. The awarding of doctorates and other higher degrees should remain the province of universities: it goes right to the heart of their role as centres for learning, research and scholarship.

1.21 While the Opposition notes Government assurances that non-university research bodies are unlikely to be eligible for grants under either of these schemes, this assurance has limited value, and then only in the short term. It is inevitable that private research organisations will attempt to meet guidelines which are currently being drawn up to allow scarce research funds to be disbursed more widely. While these guidelines will be disallowable instruments, this provides insufficient protection for the rights of public institutions to research and research training funding.

1.22 As Opposition senators noted earlier in this report, the expected contribution of universities to research lies largely in ‘pure’ research, without which there can be no commercial application of research. There is a link between basic research, as well as applied research, and economic growth. In both areas Australia’s research efforts are declining, relative to other comparable nations. As far as basic research is concerned, this neglect is all the more outrageous considering that funding needs for a broad spectrum of basic research are relatively modest. In evidence to the Committee, Professor Christopher Fell provided a concise example of the need for pure research driven by the requirements of knowledge rather than the market place:

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22 Mr Bradley Smith, *Hansard*, op.cit. p.6

I think also that if areas of research are overly directed—if one can conceive of that situation occurring—our coverage will drop off. I can give you no better example than this: the NHMRC allowed virology to continue when people thought it was an old science and Australia's very effective response to AIDS was a clear response to the fact that we had a few good virologists. You simply cannot push research in a certain direction; you really have to keep a lot of flowers blooming. They are not very costly flowers in terms of the nation's total investment.<sup>23</sup>

1.23 The Opposition also notes a view expressed in the submission from the University of Melbourne Postgraduate Association stating that proposals permitting private research bodies to compete with universities is fundamentally counterproductive because it undermines existing cooperative arrangements which support industrial research. The submission notes that the CSIRO has had successful links with industry over most of the past century. This kind of collaborative effort is threatened by allowing universities and business to compete for the shrinking pool of ARC funds.<sup>24</sup> Opposition members of the Committee concur with the view that this provision owes much more to ideological posturing than it does to any reasoned analysis of Australia's overall research needs.

1.24 Labor senators believe that eligibility for access to RTS and IGS funds should be limited in the bill to those institutions listed in Schedule A of the *Higher Education Funding Act 1988*. They note the view expressed by the NTEU in this matter:

The need to ensure parliamentary scrutiny here is particularly important, given that the new national protocol dealing with accreditation agreed to by the states and the Commonwealth has still to be given legislative force. NTEU believes that, if greater contestability is required, new institutions in receipt of moneys should be subject to parliamentary scrutiny and accountability in the same way as other institutions, through the Higher Education Funding Act and its associated schedules, as well as being included on both AQF registers. Parliamentary scrutiny is an important public safeguard in areas where substantial public funds are being expended.<sup>25</sup>

## **Conclusion**

1.25 Labor senators have grave reservations about these bills. Some of these concerns go to the general direction of the Government's White Paper reforms, although we are pleased to see that some of the more extreme proposals originally put forward by the Government have been wound back in the legislation. It is crucial that the Government recognise, moreover, the need to provide higher levels of public funding for both basic and applied research, and to recognise also that measures to encourage industry involvement in, and support for, research must be improved.

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23 Professor Christopher Fell, *Hansard*, op.cit., p.14

24 Submission No.7, University of Melbourne Postgraduate Association, p.45

25 Dr Carolyn Allport, *Hansard*, op.cit., p.17

**Recommendations**

1.26 It is recommended that the bills be amended to:

- require the minister to table in the Parliament the details of any funding decision taken that goes against the advice of the ARC;
- allow the ARC to initiate its own inquiries, under the broad policy direction set by the minister; and
- provide that institutions eligible for funding under the Institutional Grants Scheme and the Research Training Scheme be subject to Parliamentary approval.

**Senator Kim Carr**  
**Deputy Chair**

**Senator Trish Crossin**

