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Edited by John Anwyl and Grant Harman

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Contents

1 P. J. Fensham

Some reflections on four years as a member of the Universities Council.

2 L. W. Shears

The opportunities ahead in teacher education.

3 Gerald Burke

Forecasting future needs for teachers.

4 F. R. Jevons

Amalgamation: the Deakin experience.

5 Peter C. Byers

The Tasmanian experience.

6 L. M. Birt

The Wollongong proposal.

7 Grant Harman

Making multi-campus institutions work.

8 Gregor Ramsey

Administering a multi-campus institution: some lessons from experience.

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GOVERNMENTS AND UNIVERSITIES SINCE 1959

Had I written this article on the 'pluses and minuses' in the development of relations between the universities and governments in the past two decades shortly after the Editor of *Vestis* requested me to do so in May of 1980, I would have restricted my account to the sixties and seventies. But it is now January 1982 and the new policies of the Commonwealth Government, and the responses of State governments to those new policies, made 1981 as significant a year for the universities as 1959 when the Universities Commission (AUC) was established, 1965 when the advanced education sector was created, 1973 when the States agreed to leave the financing of universities to the Commonwealth and 1977 when the Tertiary Education Commission (TEC) replaced the separate commissions for the universities, colleges of advanced education (CAEs) and technical and further education (TAFE).

The Commonwealth Arrival

In 1935 the Australian Vice-Chancellors' Committee (AVCC) requested the Commonwealth Government to give financial assistance for post-graduate students on the grounds that the promotion of postgraduate studies was of national importance. Mr Casey the Treasurer and Mr Menzies the Attorney-General doubted whether the Commonwealth had the constitutional power to make such grants. When the Commonwealth Government was persuaded of the need it made a grant through its Council for Scientific and Industrial Research.

The Commonwealth Government moved very much further into the field of education as an aspect of its manpower planning and control during the war and in preparation for the repatriation of members of the armed services at the end of the war. Under its Repatriation (later Reconstruction) Training Scheme it made grants to veterans and substantial capital and recurrent grants to universities. A constitutional amendment of 1946, which gave it peace-time powers to grant benefits to students, signalled the intention of the Commonwealth Government to maintain a role in education. In 1950 it decided after a report from a Committee of Inquiry, to provide Section 96 grants to the States to enable their universities to develop beyond the levels of activity in 1950. Then in 1956 in response to sustained pleas from the universities the Menzies Government appointed the Murray Committee.

Bruce Williams

Formerly Vice-Chancellor of the University of Sydney and now Director of the Technical Change Centre and Visiting Professor at the Imperial College of Science and Technology.

The Murray Committee reported that there was an 'irrefutable need for the development of a national policy for Australian universities' to prevent unnecessary duplication and wastage of resources, that universities should reduce sub-degree activities and increase post-graduate and research activities, that the Commonwealth's share of financial responsibility should increase, and that there should be a university grants committee on the lines of the UGC in Britain to make recommendations on triennial grants.

In 1959 the Commonwealth established the AUC to consult with the universities and the States, and then to advise the Commonwealth on financial grants to universities with a view to promoting balanced development. The Federal grants to universities were to be of a matching nature, and the matching formula became Federal dollar for State dollar for capital grants and one Federal dollar for each 1.85 dollars derived from State recurrent grants plus income from tuition fees.

The good years

Given the nature of Federal/State financial relations, the creation of the AUC was of great benefit to the universities. It made possible a co-ordinated development of academic programmes for teaching and research without reducing that degree of university and academic autonomy required for the sustained health of each university.

In 1957 when there were 31,250 equivalent full-time students (EFTS) recurrent expenditure was \$872 per EFTS. The first triennium 1958-60 was financed on the basis of Murray Committee recommendations. In real terms — i.e. after making adjustment for the movement of salaries, wages and non-salary costs and for the distribution of students between faculties — the annual recurrent expenditure per student in that triennium averaged \$883. That increase was much smaller than the Murray Committee had intended. The increase in costs (by almost one quarter during the triennium) was more than expected, as was also the increase in EFTS by over 40%.

The next two triennia — 1961-63 and 1964-66 — were financed on the basis of recommendations from the AUC. EFTS rose by 28%, from 44,500 in 1960 to 56,990 in 1963, yet recurrent expenditure per EFTS rose from the average of \$883 in

the 1958-60 triennium to \$1,070 in 1961-63. EFTS rose by a further 39% between 1963 and 1966, and recurrent expenditure from the average of \$1,070 in the triennium 1961-63 to \$1,131 in 1964-1966.

The third report of the AUC, for the triennium 1967-69, was not accepted in full by the Commonwealth or by the States. The Commonwealth adopted the upper limits suggested by each State, except in Western Australia and Tasmania where the grants recommended by the AUC were reduced by 5%. Overall the Commonwealth approved recurrent grants 5% less and capital grants 25% less than had been recommended by the Commission. Even so the real expenditure per EFTS rose from the average of \$1,131 in 1964-66 to \$1,223 in 1967-69. There was, however, a fall of 4-5% in the last year of the triennium, and the signs of accelerating inflation added to worries about the adequacy of resources for the triennium 1970-72. Real recurrent expenditure per EFTS, corrected for changes in distribution of students between the more and less costly subjects, reached a peak in 1968 that was not equalled again for some years.

Advanced education

In 1964 the Martin Committee recommended a very large increase in tertiary education in institutes of technology and teachers' colleges. To make possible a growth in numbers there to equality with the number in universities by 1975 the Committee proposed that the institutes and colleges be financed on the same formula basis as the universities and that the UGC be changed into a TEC to make the recommendations on grants to universities, institutes and colleges.

The Commonwealth was not prepared at that time to share in the finance of the State government teachers' colleges or to establish a unitary system of higher education under a tertiary education commission. It decided instead in 1965 to appoint an advisory committee on advanced education (ACAE) to recommend formula grants to colleges of advanced education 'to be developed from the most advanced institutes and technical colleges'. Such colleges would provide courses at diploma but not degree level. In 1969 the Commonwealth agreed to make matching grants for teacher education within multi-disciplinary colleges. Then in 1973 it extended financial aid to teachers' colleges that were being developed as 'self-governing colleges under the supervision of appropriate co-ordinating bodies in the States'.

How far the Commonwealth's decision to establish a binary system was influenced by events in Britain is not known. But in 1965 both countries decided to establish binary systems contrary to the recommendations of expert committees: of the Robbins Committee which reported to the British Government in

1963, and the Martin Committee which reported to the Australian Government in 1964. In 1957 the Murray Committee in Australia maintained that 'every boy and girl with the necessary brain power must be encouraged to come forward for a university education'. In 1960 the Anderson Committee in Britain made a similar recommendation for a great expansion in graduates of all kinds. It seems that by the mid-sixties both governments had grown doubts and decided that there was a need for a less autonomous, more varied, more directly vocational second sector of higher education.

But despite the Commonwealth's decision to create a binary system there were soon complaints from the ACAE about 'academic drift' in the colleges of advanced education. The implication was that the State authorities and the councils of the colleges were allowing the aspirations of staff, para-professional bodies and students to undermine the Commonwealth's plan. In 1968 the Victoria Institute of Colleges decided to award a degree in pharmacy, and by 1978 almost half the students in the colleges were enrolled for degree courses. While shared funding continued the States continued to play the dominant role in developments in advanced education.

The belief that the boundaries between the two sectors were becoming too blurred played a part in the decision of the Whitlam Government in 1975 to amalgamate the commissions for universities and advanced education with a view to promoting a rationalization, and in the decision of the Fraser Government in 1977 to create the TEC with councils for universities, advanced education and TAFE.

Salaries

The increase in role of the Commonwealth and the evolution of a national system created pressures towards national salary scales. The Murray Committee had recommended substantial increases in academic salaries and included periodic reviews in the functions of the university grants committee that it proposed. The AUC was not keen to become a salary fixing body, and the reception of its recommendations in April 1960 for interim increases in salaries made it even less keen. In May 1961 the Commonwealth appointed a committee to advise the AUC on academic salaries. The committee reported in November. The AUC approved its recommendations early in 1962 and the Government in mid-1962. The salaries recommended were below those paid in some universities, but the inquiry did give a further impetus to the use of national salary scales.

Early in 1962 the AVCC and the national academic staff association, then the Federal Council of University Staff Associations proposed that a Presidential member of the Commonwealth Conciliation Commission should review salaries and, in view of the constitutional difficulties involved, suggest scales that the AUC would take into account in its recommenda-

tions for triennial grants. The AUC did not wish to give advice on the proposal and no action followed. The staff association of the University of New South Wales was a registered trade union and in 1962 academic staff were granted substantial salary increases by a member of the Industrial Commission. The State Minister, however, referred the award to the Full Bench of the Commission which in mid-1963 reversed the Commissioners' award and gave a much smaller increase. Proposals for an Inquiry at national level were then revived. In May 1964 the Commonwealth appointed Mr Justice Eggleston of the Commonwealth Conciliation and Arbitration Commission to conduct an Inquiry. His recommendations based on a 'work value assessment' established for purposes of university grants a basic salary for professors, a salary for readers, a maximum salary for senior lecturers and a minimum salary for lecturers. The Judge recommended that future reviews be conducted in times of need and not tied to the triennial process.

In September 1966 Senator Gorton did not agree to a request by the Federation of Australian University Staff Associations (FAUSA) to institute triennial reviews, but in December 1966 he committed the Commonwealth to seek an agreement on adjustments to salaries on condition that FAUSA did not press for a Committee of Inquiry. When in April the AVCC requested the Commonwealth to establish machinery for a periodic review of academic salaries they were informed by Senator Gorton that he was not prepared to establish the machinery but that Mr Hewitt, the Chairman of the AUC, was already conducting a review on the basis of submissions from FAUSA. Senator Gorton took the view that the prime parties were the Governments and FAUSA. The implication that university staff are employed by Governments was very disturbing.

On the basis of Mr Hewitt's review, salaries were increased substantially from July 1967. Early in 1969 the AVCC and FAUSA requested the AUC to conduct a review; and then after substantial salary increases were granted to Federal civil servants the AVCC requested the Minister to agree to another negotiated settlement of salaries. After consulting the States, the AUC advised the Minister to approve another 'Eggleston type inquiry'. The Inquiry was conducted in 1970 by Mr Justice Eggleston and he recommended substantial salary increases and that national wage adjustments apply to academic salaries. These recommendations were approved. In 1972 there was another major inquiry conducted by Mr Justice Campbell who was also asked to advise on permanent machinery for salary reviews in higher education.

In October 1974, in accordance with Judge Campbell's recommendations, the Academic Salaries Tribunal was established. As a Commonwealth instrumentality the Tribunal makes a

determination for the Australian National University and Canberra College of Advanced Education, which the Federal Parliament may disallow, and a recommendation on salaries, which the Commonwealth might not approve, to be used in calculating financial grants to State universities. The creation of this Tribunal was regarded by the universities as a favourable development in relations with Governments.

The decision of the Commonwealth to have an inquiry into study leave and exert a strong pressure for a reduction in the extent of leave and the recurring attacks on tenure, have however encouraged staff groups in some universities to seek awards that would cover conditions of service. The obvious weaknesses of this attitude are the limited powers of State courts to determine conditions of service, and the probability that the Commonwealth would not adjust its grants to cover awards in the States, made presumably at different times and levels.

Supplementary grants

Between 1974 and 1981 the Commonwealth Government adjusted grants to meet the costs of the decisions of the Academic Salaries Tribunal. Before 1974 Governments had made supplementary grants within triennia for agreed increases in academic salaries; from 1974 quarterly adjustments were made in accordance with the movement of indexes of academic salaries, non-academic salaries and wages, and other costs. At a time of severe inflation this scheme of indexation, introduced by Mr Whitlam following the abolition of tuition fees, was of great benefit to the universities. However, during 1981, following the Review of Government Functions chaired by Sir Phillip Lynch, the Commonwealth decided to abolish indexation and instead to include in the triennial grants a 'prospective allowance to take account of cost increases'. For the 1982-84 triennium the extent of this allowance was not revealed. Doubtless it reflected the Government's aspirations to reduce inflation and to the extent that inflation exceeds the Government's targets the universities will suffer.

When announcing the abolition of indexation the Government suggested that because of indexation universities and colleges had been protected from the effects of inflation and from the need to contain excessive wage claims. There is no reason to believe that academic salaries have been increased excessively by the Academic Salaries Tribunal because of indexation. Academic salary awards have followed other awards used as analogues, not preceded them. Non-academic awards are made for the most part by State Courts and Tribunals where the universities are seldom in a key position in the negotiations. Unless inflation can be brought under control, the return to prospective allowances is likely to prove a considerable setback.

Salaries and autonomy

There was a time when the creation of a national tribunal for academic salaries would have been regarded as an attack on university autonomy. In 1950 the AVCC reached an agreement on a desirable level of salaries for professors. But when the Vice-Chancellor of the University of Sydney proposed the adoption of this rate in the university, Dr Evatt commented that the AVCC had no legal standing in the university and that the Senate of the university was responsible under the Act to determine such important matters as salaries. He then proposed the adoption of the higher rates requested by the academic staff association of the university, and his proposal was adopted. To pay for this and other increases in costs the University Senate then increased tuition fees by 50%.

The legal responsibility to determine such an important matter as salaries has not changed, but the method of determination has. From 1951 salaries at the NSW University of Technology other than those of professors were determined by the NSW Arbitration Commission which thus became a pace setter for other salaries. The Murray Committee recommended that the Grants Committee it proposed should conduct periodic reviews of academic salaries in all universities and itself recommended interim increases on a national basis, and the proportion of income derived from fees was progressively reduced first by Commonwealth grants during and after the war and then by the impact of the formula used for matching grants. Almost inevitably the universities paid less attention to issues of autonomy — except when Mr Gorton treated Governments as the employers — and more to the creation of a salaries tribunal which would recognize the universities as the employers and whose awards would be adopted by the Government and the AUC in determining grants.

The end of shared funding

In 1973 the Commonwealth and State Governments agreed that from 1974 shared funding would end and that the Commonwealth would take full responsibility for financial grants to universities and colleges of advanced education. At the time this was generally accepted as another 'plus' for the universities.

The Commonwealth set the abolition of tuition fees as a condition of its grant. As a consequence of this change, and of the provision of additional funds to schools and TAFE, the Commonwealth's expenditure on education increased rapidly. Under the Whitlam Government expenditure on education rose from less than 4% of the Federal budget outlays to 9.4% in 1974/75, and that increase helps to explain the financial squeeze on higher education that was applied in 1975/76 and in later years. The recession would have brought a revision of expenditure plans under shared funding, but I doubt whether the squeeze would have been so severe.

The end of shared funding also had a considerable impact on the role of the AUC. During shared funding the attitude of the States was very significant and the AUC was the link between the Commonwealth and State Ministers. But with the end of shared funding the influence of the AUC was reduced and that of the Commonwealth Departments of Education, Finance, Treasury and Prime Minister's increased. In 1974 the Minister announced that 1975 would be 'outside the triennial progression' and issued financial guidelines to the Commissions. The triennial progression was later restored but Ministers have continued to issue financial guidelines and the Departments have continued to play a more important role than under shared funding.

The end of shared funding also reduced the previously powerful role of the States in the evolution of tertiary education. The first sign of that was the refusal of the Commonwealth to approve the Victorian Government's plan to transform three colleges of advanced education into a multi-campus university at Ballarat, Bendigo and Geelong, and the latest signs the use of the financial power of Section 96 grants to force the states to change legislation on universities and colleges.

The TEC

It was part of Labor Party policy to have one Commission for higher education, but the extent of the financial claims from State Ministers and State Boards of Advanced Education once the states ceased to share in the finance of higher education gave a further incentive. The Whitlam Government was, however, dismissed before it could amalgamate the commissions for universities and advanced education.

On the grounds that it would have an homogenizing effect and reduce university autonomy I opposed the decision to create a TEC. It seemed certain, however, that before long a Commonwealth Government would decide that it should not continue to receive independent advice from the four commissions for universities, advanced education, TAFE and schools. In that case it seemed to me that a post-secondary commission would be better than a higher education commission. I thought that the problems at the interface between advanced education and TAFE were as great as those between universities and advanced education, and I judged that the risks of homogenization would be less under a post-secondary commission with separate councils for the three sectors.

In 1977 the Fraser Government did create a post-secondary education commission with councils for the three sectors, though it was called a Tertiary Education Commission. My fears that there would be homogenizing consequences were very soon increased by the States Grants (Tertiary Education

Assistance) Act of 1977 which replaced the previously separate and differently worded Acts for the three sectors. At the meeting of the (British) Commonwealth Universities at Vancouver in 1978 in a paper on 'The Financial Effects of Federalism: the Australian Case', I made some rather gloomy predictions about the erosion of university autonomy in the interests of 'co-ordination' and 'rationalization'.

The Whitlam Government's plan to establish a TEC and then the creation of the TEC by the Fraser Government stimulated the States to establish tertiary or post-secondary commissions.

The role of the State education authorities had always been much greater in what became the advanced education sector than in the university sector. It became clear after the publication of the Borrie report on population that the advanced education sector in particular would be seriously affected by demographic trends which, inter alia, would bring substantial reductions in teacher education. The State authorities feared that the very autonomy of universities would increase the problems of adjustment in advanced education and decided therefore to establish boards or commissions to co-ordinate activities of both the universities and the colleges. The States would then be in a better position to deal with the Commonwealth's TEC and to make it easier for the colleges to find new activities to offset the decline in teacher education.

In 1976 the Western Australian Government created a Post-Secondary Education Commission as recommended earlier by the Partridge Committee. In its report the Committee referred to the need for such a body to deal with a Federal tertiary commission as proposed by the Whitlam Government. Also in 1976, the NSW Government replaced the Higher Education Authority and its largely independent boards for universities and advanced education with a Higher Education Board.

In 1978 the Victorian Government established a Post-Secondary Education Commission and gave that Commission considerably greater powers over universities than had been given to the Post-Secondary Commission in WA and to the Higher Education Board in NSW. The Victorian Act required the universities not to introduce new courses leading to degrees or diplomas (other than research degrees) without the approval of the Commission, or to make representations to the TEC or the Universities Council without the prior written consent of the Commission or lack of objection by it within four weeks. The purpose of this latter provision was to give the Commission the opportunity to attach its comments to any university representations to the Federal body. The Tasmanian Government created its own TEC in 1978. Then in 1979 the South Australian Government created a Tertiary Education

Authority with powers to make proposals to the Federal TEC on the allocation of funds for post-secondary education in the State and to approve proposed new courses in any tertiary institution. But the Authority was not given power to prevent or hinder direct approaches by universities to the Federal TEC or its Universities Council.

Thus, in the context of the Borrie report and a recession, the end of shared funding was followed by a determination in the States to play a more active and direct role in the planning and co-ordination of higher education. The Federal Government's decision to replace three separate commissions with a TEC simplified the problems of the Federal Minister but complicated the problems of the universities. Their problems were complicated by the introduction or strengthening of another layer of control in the States. And their problems were further complicated by the nature of the TEC. For instead of dealing with the AUC which advised the Minister, the universities now dealt with the Universities Council which advises the TEC which advises the Minister.

The CIET

In 1976 the Commonwealth Government appointed a Committee of Inquiry into Education and Training (CIET) to consider and advise on the overall pattern of institutions and courses, the extent of post-secondary education, the desirable balance between the sectors, the responsibilities of State and Commonwealth authorities for the nature and location of institutions, and the relationships between the educational system and the labour market.

The Committee's report was published early in 1979. It referred to the importance of maintaining defined roles for the sectors and of institutions within them, and concluded that the conclusions reached by the Murray, Martin and Kangan Committees on the respective roles of Federal and State authorities were still valid.

The recommendations in the TEC report for 1982-84 that universities be recognized as having a special institutional commitment to scholarship and to research and to training scholars and research workers, that CAEs not be given special funds for research in triennial grants, that Masters' degrees programs be applied in nature and that the advanced education sector should emphasize its vocational objectives, were all in line with recommendations in the Report of the Committee of Inquiry into Education and Training.

The CIET recommended that the Commonwealth should play the dominant role in the university sector, and the States in the advanced education and TAFE sectors; that universities should continue to make submissions directly to the TEC but that the state authorities should receive copies in time to consider

the implications of the plans of the universities in their State for their own plans for advanced education and to make submissions on them to the TEC. The Commonwealth, but not all the States, approved this recommendation.

The Committee also recommended that because the TEC was required to make judgments on the inter-sector problems it should allocate recurrent funds to one large multi-purpose college in each State but otherwise make block grants for advanced education to the State Boards or Commissions. The Committee added that if the recommendations were adopted the existence of three statutory Councils would become an increasing barrier to effective working relations between the TEC and the State post-secondary authorities.

The main recommendation was not approved by the Commonwealth. Despite its doctrine of co-operative federalism it did not wish to surrender the possibility of detailed intervention. Nor did the states approve. They were keen to receive block grants but not to accept the idea that the TEC determine the grants for one large multi-purpose college. They took the view that this would be divisive and allow the TEC to establish bench marks for the overall allocation.

The failure of the Commonwealth and the States to simplify the arrangements for co-ordination and to agree to a rational division of responsibilities, increased the possibility that the Commonwealth would before long use its financial powers under Section 96 to exercise more detailed control. Certainly this prospect seemed much less remote than it had before unitary funding was agreed in 1973 and the TEC established in 1977.

The States Grants (Tertiary Education Assistance) Amendment Act of 1979 contained a significant new provision. Where the TEC is 'satisfied that the introduction at any university in the year 1980 or a subsequent year of any courses of study included in a class of courses of study would involve a new development' it may recommend to the Minister that no financial assistance under the Act be given for such courses of study. If on advice from the TEC the Minister makes a declaration, financial assistance under the Act may not be used for the new courses. A similar provision in the Act applies to colleges of advanced education.

This amendment to the Act removed what had been a very important difference between financial assistance for the universities and colleges. Whereas financial assistance had been given to the colleges for approved programmes, the universities received block recurrent grants and (apart from building grants which were specific) there were few earmarked grants. The States Grants Act was further amended in 1980 to make each State responsible for

ensuring that no university in the State paid any salaries above the levels recommended in the reports of the Academic Salaries Tribunal.

But worse was to come from the TEC. In August 1981, in Volume 2 of its Report for the 1982-84 Triennium, the TEC stated that 'under the existing provisions it is a condition of recurrent grants that expenditure from Commonwealth grants on a new teaching development which has not been approved by the Commission is not to count for expenditure for university or advanced education under the Act'. Unless I have failed to understand the Amendment Act of 1979, the TEC claimed more power than Parliament has given it. It then proceeded to point out that the provisions of the Act would not prevent institutions from introducing new teaching developments funded from sources other than the Commonwealth grant. That is indeed the case. State Governments or private benefactors or universities from endowment income might finance them. The TEC was apparently appalled by the prospect that a state or a university might not act to TEC instructions and it therefore proposed that 'the existing condition should be extended to provide that as a general condition of recurrent grants, universities and CAEs should not introduce disapproved new developments, regardless of the source of funds'.

There is a stark and disturbing contrast between that extraordinary passage in the TEC report, and passages in the Report of the Murray Committee and in the Sixth Report of the AUC. The Murray Committee on Australian Universities wrote that university autonomy would be meaningless if each university were not left to 'subdivide its allocation according to what it considered to be its greatest advantage' and that any earmarked grants should be 'merged as soon as possible into block grants of a subsequent triennium'. According to its Sixth Report, the AUC was committed to university autonomy not simply from a desire to reflect the formal status of the universities but from a conviction that 'society is better served if the universities are allowed a wide freedom to determine the manner in which they should develop their activities and carry out their tasks. In a free society, universities are not expected to bend all their energies to meeting so-called national objectives which, if not those of a monolithic society, are usually themselves ill-defined or subject to controversy and change.' Fortunately the Minister has not on that issue adopted the proposal of the TEC.

Review of Commonwealth Functions

The Review of Commonwealth Functions (Razor Gang Report) conducted by a Committee chaired by Sir Phillip Lynch had important implications for education. The details of the Government's decisions on the recommendations were outlined by Grant Harman in *Vestes* 24, 2, 1981, and there is therefore no

need for me to reproduce them here. In considering the decisions it is important to identify those based on recommendations of the TEC.

The emphasis in the decisions on rationalization were if not based on certainly in line with Volume 1 of the TEC Report for 1982-84 Triennium. According to the Prime Minister when he announced the decisions on the Lynch Committee proposals, the Government had been concerned at proliferation of separate institutions and proposed immediate action to minimize that trend and to provide for a more efficient use of resources. There had not of course been such a trend in recent years. In the five years before the Prime Minister's statement amalgamations completed or in train had reduced the prospective number of separate colleges of advanced education by about one-quarter. The TEC had recommended that institutions which were predominantly concerned with teacher education should be consolidated into larger units and the Prime Minister announced that the funding of 30 such colleges would be at risk after 1981 unless there were amalgamations or integration with neighbouring universities.

For some of the colleges in the list decisions to amalgamate had already been taken. In NSW a decision had been made to amalgamate five metropolitan colleges and to absorb Goulburn CAE into Riverina CAE. In Queensland there had been extensive discussions on the advisability of amalgamating four teacher education colleges, and action followed shortly after the Commonwealth's statement. In South Australia the decision had already been taken to amalgamate the two colleges mentioned in the TEC report. The Roman Catholic Church saw no difficulty in placing three NSW colleges under a single Council or in agreeing to put beyond doubt that the ICE in Victoria is a multi-campus CAE with a single governing body.

The amalgamations in dispute were the three CAEs in Western Australia, the three CAEs in NSW marked for amalgamations with universities and Milperra CAE, two CAEs in Victoria, and the amalgamation of Townsville CAE with James Cook. Some years ago the NSW Government decided to amalgamate the universities and colleges at Armidale and Wollongong. The Government changed its mind about Armidale when it proved unpopular with the electorate and about Wollongong when the AUC objected.

In *Progress Report on Consolidation in Advanced Education*, July 1981, the TEC outlined the reasons given by the State Authorities for not accepting the TEC's views, gave a brief response, and then stated that unless the State bodies came into line the Commission would not recommend funds in Volume 2 of its *Report for 1982-84 Triennium*. Given that the Government had already endorsed its recommendations and that it was presenting a progress report to

the Federal Minister on the progress towards consolidation, the style and contents of the TEC report were not surprising, but it could have done little to convince the State authorities that they and not the TEC had erred.

The TEC case for the amalgamation of CAEs is partly economic and partly doctrinal. The economic case for amalgamation is that there is excess capacity in teacher education CAEs, that when staff can be moved between institutions better use can be made of staff in a run down, and that it is more efficient to operate a redundancy policy within amalgamated colleges than to close whole colleges. The doctrinal case, which was expounded in the report of the South Australian inquiry chaired by Professor Karmel, is that the various specialisms within teacher education are best dealt with in one institution.

The case against the TEC proposals is partly economic and partly constitutional. It was pointed out in the report of the CIET that limited purpose colleges may be small and economical and that at least some of the past amalgamations had added to cost per student, not reduced them. The constitutional argument is that in a Federal system, and especially in a regime of co-operative federations, there is a stronger case for adjusting the level of grants to prospective numbers and leaving the State authorities to make the institutional adjustments in the light of their judgment of what best suits their local circumstances than for using Section 96 grants coercively.

I wonder whether if we put before a jury of relevant experts the TEC case for amalgamating the three CAEs in Western Australia and the WAPSEC case for not amalgamating them, the jury would find for the TEC. I am far from sure that it would.

The issues in the proposed university/CAE mergers at Townsville, Armidale, Newcastle and Wollongong are also complex. The case for the TEC proposals is similar to that for CAE amalgamations, with the added argument in the case of Armidale and Wollongong that earlier inquiries pointed to the advantages of amalgamations. The case against is similar to that for CAE amalgamation with the added argument drawn from the Martin Report and the Swanson-Bull Report that an institution that is expected to teach at levels ranging from associate diplomas to doctorates is almost certain to neglect the lower levels. The implication is that there could be a narrowing of educational opportunity.

Amalgamation issues

Some of the issues were discussed in the report of the CIET (particularly pp. 184-186, 202-205, and 775). The AUC had set three conditions for the amalgamation of a CAE with a nearby university. It rejected the State's plan at Wollongong on the grounds that the academic staff at the CAE did not meet its se-

cond condition; the Queensland Board of Advanced Education rejected the idea of an amalgamation at Townsville because the AUC's third condition would involve the elimination of diploma courses.

The CIET did not accept the view that all universities should restrict their teaching activities to degree and higher degree work. To meet the objection that resources would tend to be monopolized by higher grade courses to the impoverishment of the lower, it suggested that the interests of sub-degree students would be safeguarded if diploma courses were provided on a contract basis. The Committee referred specifically in that section to Townsville and Wollongong and to the geographical rationalization of the roles of the University of Tasmania and the Tasmanian CAE.²

When the Queensland Government decided to give way to Commonwealth pressure and to amalgamate the Townsville CAE with the James Cook University, it revised the James Cook Act to provide for an institute within the University which would offer specified associate diploma and diploma courses. The revised Act provides also for Ministerial decision whenever the Board of Advanced Education or the Board of Teacher Education come into dispute with the Council of the University on the conduct or content of the advanced education courses. This is an unhappy outcome of the Commonwealth decision to use its financial power as a bludgeon.

What the outcome of the dispute between the Governments of the Commonwealth and NSW will be is not known as I write. Early in December the University of Newcastle was informed of the Commonwealth's willingness to provide funds for the CAE for the first half of 1982, on the understanding that firm proposals for consolidation would be made during that period to take effect in the second half of the year. Later in December the Minister extended the funding to the CAE until the end of 1982. Armidale CAE was given a similar extension of twelve months at the time the Newcastle CAE was given its first extension of six months.

In his article on 'The Razor Gang Decisions' in *Vestis*, 24, 2, 1981, Grant Harman wrote that in functional terms State co-ordinating authorities have come to look more like branch offices of the TEC than State agencies. If the Commonwealth does manage to force all the State Governments to adopt its policies in amalgamations they will look even more like that. But the legislative powers of the States might even then lead to considerable conflict. The Victorian Bill to establish a Ministry of Employment and Training appears to give that Minister powers over the operations of universities and CAEs that could lead to departures from TEC plans. The Act of course has also created concern in the universities and colleges. In his statement on the Review of Commonwealth

Functions the Prime Minister stated that the Commonwealth had decided to phase out the engineering schools at Deakin University, Bendigo CAE and Preston Institute of Technology. This decision went beyond the recommendations of the TEC in Volume 1 of its report for 1982-84. A 1980 VIPSEC working party had concluded that the engineering schools at the Universities of Melbourne and Monash and the Royal Melbourne, Swinburne and Footscray Institutes of Technology could if necessary meet all the numerical needs for engineering education in Victoria. The closure of the schools at Deakin and Bendigo would mean that the only engineering schools outside the metropolitan region would be at Ballarat and Gippsland.

The TEC in its *Progress Report on Consolidation in Advanced Education* stated that while it did not nominate specific engineering schools for closure, the Government's decisions were consistent with the general thrust of its advice. It rejected VIPSEC's proposal for an Institute of Professional Engineering Education involving both Deakin and Ballarat, for such a proposal was contrary to the Government's decision to close the engineering school at Deakin, but suggested that 'it would not be inconsistent with this decision for a major metropolitan school to establish a branch at Geelong and/or Bendigo'. Had the Government not acted on the recommendation of the Lynch Committee, a sensible arrangement could have been made for engineering students at Deakin to take the later part of their courses at Melbourne or Monash.

The decision to phase out engineering education at Deakin was another example of the Commonwealth's lack of care for university autonomy. In reply to a question from the AVCC, the Chairman of the TEC stated that the Commission did not regard a Commonwealth decision to withdraw support for existing schools or faculties 'on grounds of cost or on grounds of the balanced and co-ordinated development of tertiary education' as an unwarranted intrusion into the internal affairs of universities. That reply places the issue where in reality it has to be — namely, whether the intrusion is warranted or unwarranted. In this case I think that the intrusion was unwarranted. In the interests of higher education and the universities the Commonwealth should work through the TEC and the TEC should seek an agreed solution. The AUC and the TEC did that in the period of expansion. It is more difficult to get agreement in time of contraction but in many ways more important. There was not a legitimate argument on grounds of cost or balance for hasty direct action by the Commonwealth.

Other Government measures which were outlined in Grant Harman's article were not initiated by the TEC. These measures include the withdrawal of indexation and a further reduction in real resources as part of the policy of 'maximum expenditure constraint'.

Earlier in this paper I mentioned that adjusted real resources per student had reached a peak in 1968 that was not reached again for some years. In part because of changes in the student mix towards the 'less expensive' subjects adjusted real resources per student rose above the 1968 level from the mid-seventies. It did not seem so because certain costs (such as increments) continued to increase even though the number of students had ceased to grow. In such conditions even stability in real resources per student creates serious budget problems. In 1980 and 1981 there was a significant decline in adjusted real resources per student, and that decline seems certain to accelerate significantly in the triennium 1982-84.

Looking back

At the present moment it is easy to underestimate the favourable developments in relations between universities and governments and to overestimate the unfavourable developments. It is important to keep in mind that some of the unfavourable developments have been a consequence of the economic recession and changes in population.

There have been many favourable developments and university education and research is very much better than it was when the Murray Committee reviewed it. The creation of the AUC and triennial funding provided a basis for university planning and sensible system planning that had not existed before. The Academic Salaries Tribunal was a favourable development. The growth of ARGC and NH and MRC

made possible substantial increases in research activities. The Commonwealth Post-graduate Awards and the T.E.A.S. made undergraduate and graduate education much more accessible than it had been.

The unfavourable developments have been varied. One has been the retreat from the policy of making higher education more accessible. There has been a considerable decline in the real value of T.E.A.S. allowances and Commonwealth post-graduate awards. The decline in the level of T.E.A.S. allowances doubtless contributed to the fall in the higher education participation rates of young people and the rise in the proportion of part-time students. The major reductions in capital grants, and the creeping reductions in real recurrent grants, and the undermining of the basis of triennial planning have been unfavourable developments. So too was the movement of the AUC away from the Murray conception of its role, and the further evolution of the TEC as an agent of Commonwealth policy. And although the Australian universities have maintained a substantial autonomy, the forms and extent of recent Government intrusions into the academic activities of universities must be regarded as very unfavourable developments.

References

1. See my paper Resources Per University Student 1957-1975, in *The Australian University*, May, 1976.
2. See also my comment on Comprehensive Universities in *Vestis*, 23, 2, 1980.