In this paper, I discuss the political-administrative context of the Government's decisions on funding for tertiary education, with particular reference to the changes in direction made by the 'Razor Gang'. I outline the historical context in which these decisions were made, the legal framework which governs the funding of tertiary education, and the specific policies and decisions that have been implemented.

Politically, the Government's decisions have been controversial. The 'Razor Gang' has been accused of making cuts to tertiary education in a politically motivated manner, with the aim of reducing the size of government and saving money. However, I argue that the decisions were made in the public interest and were necessary to ensure the long-term viability of the tertiary education sector.

Economically, the decisions have had significant implications for the tertiary education sector. The cuts to funding have resulted in a reduction in the number of students and in the quality of education provided. The sector has struggled to adapt to the new funding environment, and there has been a decline in the number of students enrolling in tertiary courses.

Socially, the decisions have had a profound impact on the lives of students and staff. Many students have been forced to drop out of their courses, and staff have been downsized or laid off. The decisions have also affected the sustainability of the sector, with some universities and colleges facing financial difficulties.

In conclusion, the Government's decisions on funding for tertiary education have had significant implications for the sector. While the decisions were made in the public interest, they have resulted in a reduction in the quality of education and in the sustainability of the sector. The sector will need to adapt to the new funding environment if it is to continue to provide a high quality of education.
Cabinet, and headed by a very senior officer of that department - the Prime Minister. Over recent years the central departments in Canberra (Prime Minister and Cabinet, Treasury, Finance, and the Prime Minister's Office) have become increasingly important and powerful. Under Malcolm Fraser's Prime Ministership, the Department of the Prime Minister and Cabinet has become a major force in the Commonwealth bureaucracy since 1976. It's staff has grown by 17 per cent, and it now has sections or offices in most departments. The way it has been carried out in every other portfolio. This tendency towards centralization in government bureaucracy is understandable - the scope of government functions is increasing and government is becoming more and more complex, and thus there is an increased need for co-ordination. A prime minister also needs alternative advice on submissions prepared by operating departments (I use this term to include both departments and statutory bodies) and presented to cabinet by their ministers. But the centralization (and there are no means confined to Canberra) can be dangerous, particularly if it is associated with centralization of power in cabinet in the hands of the prime minister and a few close ministerial colleagues. Thus, the central departments such as Prime Minister and Cabinet can easily become the bodies whose recommendations are generally followed, rather than agencies which merely coordinate and provide alternative advice to that provided by the operating departments. In turn, the operating departments (and often their ministers) are frozen out of the decision-making; in many cases the Prime Minister's decision is given to the Government a long list of achievements on its political score card. It will be able to point to dozens of boards, committees, and agencies that have been terminated, and to numerous programs that have been completely eliminated.

In the case of the "Razor Gang" exercise, it appears that most, if not all, the operating departments were involved. In many departments particular decisions apparently were totally unexpected. The Government no doubt would justify the decision-making on this occasion on the grounds that agreement on major cuts may have been impossible to achieve if all ministers and their departments were involved. But this centralizing tendency in the bureaucracy associated with a similar tendency in Cabinet gives reason for real concern. In the example of the Australian Education Research Council, for example, it poses an threat to rational and consistent policy development and to developing truly national approaches, in conjunction with the states, to particular problems. It also leads to cynicism about the value of the numerous community education subcommittees set up by the Commonwealth, and of the role of policy research and the development of extensive information bases for planning. It poses an threat to rational which prides itself on being a good manager seems bent on eliminating mechanisms to achieve good management.
University and CAE Rationalization and Funding

The Fraser Government's recent decisions on Commonwealth intervention in education area. However, a different interpretation

The phenomenon of Commonwealth intervention in Australian education is particularly interesting, both from historical and constitutional viewpoints. At federal education was regarded as one of the functions of government left to state responsibility, and even now it is still believed by many to be strictly or primarily a state rather than a Commonwealth matter. But because of political and pressures, and because of the inability of the states to cope with the magnitude of educational problems during the second world war and the post-war expansion period, Commonwealth Governments progressively became more and more involved in Australian education. Legally they were able to do this mainly under powers provided in section 96 of the constitution (which gives the Commonwealth Parliament power to 'grant financial assistance to any State on such terms and conditions as the Parliament thinks fit') and to section 51 of the constitution achieved in 1946 (which gave the Parliament powers to make laws 'with respect to the provision of benefits to students'). From a constitutional point of view, it is clear that the Commonwealth has very considerable power indeed to influence Australian education.

The Prime Minister's statement of 30 April last raised disturbing questions in the minds of many educators. Did it signify a new direction in Commonwealth education policy? Did it spell the end of Commonwealth intervention in education? Did it signify a new direction in Commonwealth education policy? Did it spell the end of Commonwealth intervention in education?

The Fraser Government's recent decisions on education raise broad questions about the likely future role of the Commonwealth in Australian education, and about federal and state responsibilities for this policy area.

Since the second world war, the Commonwealth's role in education has expanded dramatically. Until 1939 the Commonwealth Government played only a minor part in Australian education. Its expenditure on education was a mere fraction of total government expenditure on education, and consisted of a few administrative payments to universities and pre-school education. However, now the Commonwealth Government has major commitments across the whole education enterprise, from pre-school education to tertiary education. Currently it provides over 40 per cent of total funds for all public education, while expenditure on education accounts for about 9 per cent of Commonwealth outlays. In the tertiary field, the Commonwealth has full responsibility for providing regular capital and recurrent funding to universities and CAEs, even though almost all of these institutions are state institutions, set up by state governments and legally the responsibility of State Minister of Education and Government.

The phenomenon of Commonwealth intervention in Australian education is particularly interesting, both from historical and constitutional viewpoints.
can be drawn if the words 'primary responsibility for' are added to the sentence. The reader's interpretation of the document's meaning can be understood to mean that the Commonwealth's role in the delivery of educational services should be scaled down in the interests of efficiency, and that the Fraser Government wishes to share in the responsibility for education with the states. This interpretation fits with past statements by Mr. Fraser and his Ministers, who have made it clear on numerous occasions since 1976 that they believe that the Commonwealth should not do more in education than is necessary to provide a national approach to many aspects of education is critical in a prospective year, but it is difficult to imagine a Commonwealth Government being able to do less in education than it is already doing. The Commonwealth is thus 'locked-in' to its current level of involvement in education, and it is not possible to predict in broad terms the likely levels of enrolments for schools, let alone for institutions. The Commonwealth will maintain its overall commitment to education as a priority area of its direct Commonwealth endeavour.

Thus, the most likely overall interpretation of the two speeches and statements with regard to Commonwealth involvement in education and federal-state roles is that the Fraser Government wishes to scale down its direct involvement in the delivery of educational services, particularly at school level. The Commonwealth provides limited funding for universities and colleges of advanced education, and substantial funds for quality improvement, for general development and for priority areas in education. The Fraser Government believes it has a particular role in identifying and bringing resources to bear on educational issues of national importance. His concluding words were:

The Commonwealth will maintain its overall commitment to education as a priority area of direct Commonwealth endeavour.

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For 1983 and 1984 the total recurrent allocation for universities and CAEs will be at the same as for 1982 — $1555.4 expressed in 1982 outturn prices. Under the new cost adjustment procedures, the grants will be adjusted on a prospective basis at the commencement of each program year.

Continuing budget constraint, at least until 1984, will place a strong emphasis on universities and colleges. It will pose difficulties for institutional management, but it will also mean a considerable improvement in the level of provision of higher education and technical and further education. Third, inevitably the imposition of fees will have an adverse effect on research and higher degree work. This is unfortunate, particularly as it comes after a period of five or six years when research funding generally based on research grants and the attractiveness of the relatively small numbers of postgraduate students has declined. It will need a further effort to bring back some of the most prominent research students.

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Under the new cost adjustment procedures, the imposition of fees is intended to ensure that the higher education system will be able to afford the necessary level of expenditure, while others will bear a larger proportion of the burden; the least favoured universities thus will face budget reductions over the next three years of between 16 and 27 per cent.

Tuition Fees in Universities and Colleges of Advanced Education

The key decisions announced by the Prime Minister on 30 April and by the Minister on 4 June concerning the imposition of tuition fees in tertiary education were as follows:

- fees will be charged in universities and CAEs for students undertaking degrees and diplomas subsequent to an initial tertiary qualification, except for recognized double degree and diploma combinations;
- fees will apply to new enrolments from 1982;
- the scale of fees to be charged will be announced in the Budget in August;
- postgraduate students receiving Commonwealth Postgraduate Awards will be exempted; and
- grants to universities and colleges will be offset by take account of fees income.

A number of general points need to be made in discussing these policy decisions. First, a distinction needs to be made as to whether or not it is desirable and equitable for tuition fees to be charged in any higher education system, and the imposition of fees, especially in a time of high unemployment, for higher education is undermining one of its most difficult periods for many years. The removal of a barrier which has come to be regarded as a right inevitably cause resentment and conflict, and higher education institutions currently have enough problems to deal with. This will follow from this decision. Second, although the term 'Tertiary Tuition Fees' is used in official documents, such fees will apply to students in universities and colleges of advanced education only; presumably one intention is to provide funds to offset enrolments from higher education to technical and further education. Third, inevitably the imposition of fees will have an adverse effect on research and higher degree work. This is unfortunate, particularly as it comes after a period of five or six years when research funding generally based on research grants and the attractiveness of the relatively small numbers of postgraduate students has declined. It will need a further effort to bring back some of the most prominent research students.

Under this strategy, ten of the fourteen government research centres of excellence in universities and colleges of advanced education will be able to secure passage of a TAFE certificate or diploma in the same field. In the case of the University of Melbourne, for example, in 1973 the annual tuition fees charged (excluding general service fees) are shown in Table 2. This table also shows approximate cost levels at 1981 prices. It will be noted that fees varied at bachelor level between the expensive and less expensive, and that postgraduate fees were substantially less than undergraduate fees.

This means that the relative new charges for graduate study are substantially greater than the charges which operated in 1973. At the same time, fees for undergraduate, especially in the expensive faculties, are less.

Table 2

Tuition fees at the University of Melbourne in 1973, and 1973 Fees Levels Adjusted to 1981 Prices

<table>
<thead>
<tr>
<th>Level</th>
<th>1973 Fees</th>
<th>1981 Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor's degree courses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, Commerce, Law, etc.</td>
<td>$228</td>
<td>$570</td>
</tr>
<tr>
<td>Science, Medicine, etc.</td>
<td>$264</td>
<td>$600</td>
</tr>
<tr>
<td>Dentistry etc.</td>
<td>$363</td>
<td>$850</td>
</tr>
<tr>
<td>Master's or Ph.D. courses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>full-time</td>
<td>$570</td>
<td>$1200</td>
</tr>
<tr>
<td>part-time</td>
<td>$362</td>
<td>$800</td>
</tr>
</tbody>
</table>

Second, the exemptions agreed to are quite significant. For many university education schools and social science departments the exemption of fees for full-time academic staff in tertiary institutions will have a significant impact. The exemptions, particularly at Ph.D. level, in many such departments, the bulk of part-time enrolments for the Ph.D. on the other hand, is likely to be less significant. This is achieved by exempting students studying for 'first diploma ... at postgraduate level' is likely to lean significantly the imposition of tuition fees on graduate diploma enrolments in CAEs.
...studies. Unless the states make arrangements for thirty single purpose CAEs to cease as papers state bluntly that 'Commonwealth Funding for use of resources'.9 The plan thus is to Close reading of the relevant paragraphs in the colleges, or by integration with neighbouring univer­sity...savings some ambiguities. For example, the supporting...statement relates to...education. At the same time as the Common­wealth is insisting on major rationalization and amalgamation, and that this must proceed at a much faster rate than the Tertiary Education Commission had in mind. These decisions mark further moves towards greater Commonwealth domination of policy-making for higher education, despite the fact that the Gover­ment's declared policy is that the states have the primary responsibility for the administration and delivery of education and they also may not...be withdrawn. In doing...issues is...probable...problem if the above assumptions are accepted. Take the case of Victoria, where clearly there is a problem if the above assumptions are accepted. Table 3 presents enrolment data for colleges of ad­vanced education. Of the twenty-two colleges, only six had an EFTS in 1980 of more than 2000. Many colleges are very small indeed, and concentrate on a single high-level skill or course. The teacher colleges constitute the largest single group of small colleges, but they are by no means the only small college. The proliferation of separate institutions is...is necessary because of demo­graphic trends, and since governments are not willing to...are likely to increase substantially at all. (3) Tight budgetary constraint will continue to operate, even after the 1982-84...be handled; this issue is...and the underlying policy desirable. Footscray College of Advanced Education (Expressed in EFTS) Source: TEC reports and Victorian Post-Secondary Education Commission. Three other points need to be made about rational­ization proposals. First, the time-scale demanded by the Commonwealth Government will lead to hurried and poorly conceived plans; good planning needs adequate time for information collection, con­sultation and wide canvassing. Second, rationalization would require additional short-term resources. It is disappointing that the Commonwealth Government makes no mention of how staff redundancies will be handled; this issue is crucial. Fourth, pressure for a number of colleges to amalgamate with nearby universities poses special problems, particularly relating to the integration of...
Government management, and able to monitor changes in both the planning and research units, attached to senior
preferable to the forced amalgamations of CAEs
notion of multi-level, multi-campus regional colleges,
social and cultural considerations.

devote consistent,
democracies is for governments to be able to
hocism has triumphed once again
accounting for the situation being forced on a
college staff with inadequate formal qualifications to
this is far from the difficult situation being forced on a
colleges were reasonably successfully integrated into the
universities in this country probably differ, the today's environment
is distinctly different to that of the past.
Finally, there is one even more fundamental cause for
concern. For much of this paper I have assumed that the
Governing Council mark an unfortunate and un
initiate retreat in terms of sympathetic consideration
for education, a reticence dictated essentially by
political necessity, and that education is undergoing a period of financial constraint demanded simply by
Government when it appeared. The Government's
proposed action will present a deterrent to persons
of proved academic competence.

Concluding Comments
For many educators, perhaps the greatest reason for
depression is that the recent economic and pol
decision with regard to education is that 'ad
hocism' has triumphed once again
such a strategy may well be
to the Commonwealth Education
be far from the difficult situation being forced on a
in student enrolments in vocational programs training
(e.g. teaching, social welfare etc.). The same line of
argument would also see the moves as a subtle attack
on the whole notion of a truly liberal education and the
development of a highly educated, articulate, humane and pluralistic democratic society.
REFERENCES
2. Statement on Commonwealth Education and Financial Guidelines to the Commonwealth Education
5. Ibid., p. 4.
7. These fees will rise from 1982 as follows: first degree in medicine, $2,000.00 p.a. to $2,500.00 p.a.;
courses from $1,500.00 p.a. to $2,100.00 p.a. The fee of $2,500.00 for postgraduate courses, however, will
remain available to all persons of appropriate ability.
8. The Australian. 1 May 1981.
11. Policy Towards Higher Education Enrolments in Catholic Colleges. The cost of which will largely consume the amount
available for new projects. Given the current structure for
undergraduate enrolments in Catholic Colleges, they have argued for exemption from enrolment
reductions. Other CAEs, however, have argued that
this reduction is essential.
13. For a discussion of such a plan and other possibilities see G.S. Harman et al. (eds.) Academia Becoming:

A CASE AGAINST THE RE-INTRODUCTION OF UNIVERSITY FEES

The Federal Government has announced its intention of re-introducing fees for second and higher degrees in
Australia tertiary education institutions. We believe that this be both short-sighted and social
destructive policy, whose financial result is in any
case trivial.
In 1979, the Williams Report on education and employment restated the principle that university
education should remain available to all persons of
appropriate ability. The Report was endorsed by the
Government when it appeared. The Government's
proposed action will present a deterrent to persons
of proved academic competence.

The Government does not intend to re-introduce fees for undergraduate students, who make up
approximately 85 per cent of the student population. At the time that fees were abolished in 1973, they
accounted for about 5 per cent of university income.

The re-introduction of fees will make a difference of less than 1 per cent to university
finances. Its damaging effects, however, will be far
greater than this small percentage suggests.

The cost of doing so will be far
more damaging effects, however,
will make a
definite contribution to the
establishment of such an organisation
...