

THE 'RAZOR GANG' DECISIONS, THE GUIDELINES TO THE COMMISSIONS, AND COMMONWEALTH EDUCATION POLICY

Introduction

In recent months the Commonwealth Government has announced two sets of important and far-reaching decisions with regard to its future policies on education. These decisions include sudden, fundamental and, in some cases, quite unexpected changes in direction. They also appear to signal possible shifts in future Commonwealth-State roles and relations on education. First, on 30 April 1981 the Prime Minister announced to the Federal Parliament his Government's decisions with regard to the Review of Commonwealth Functions. This Review was carried out immediately after the 1980 general elections by a committee of senior Ministers — the so called 'Razor Gang' — chaired by the Minister of Commerce and Deputy Leader of the Parliamentary Liberal Party, Sir Phillip Lynch. The Government's decisions on the Review affect a wide range of government policy areas (in fact, all portfolios) including education. Second, on 4 June 1981 the Minister for Education made a detailed statement to the Parliament on Commonwealth education policy and announced the Government's decisions on financial guidelines to the Tertiary Education Commission and the Schools Commission for the calendar year 1982 and for the triennium 1982-84.

It is no exaggeration to say that the Prime Minister's statement, with the supporting papers tabled in the House of Representatives,¹ constitutes a unique and disturbing move in politics and public administration in Australia, and one likely to have significant effects on many government policy areas including education. In the history of this country, there are no comparable examples of such extensive, dramatic and sudden cut-backs in government functions, or of such thorough pruning of government agencies. This applies to both federal and state levels of government. Of course, over past years different government agencies have been run-down or closed, and various programs have been eliminated or reduced. In the depression of the 1930s, for example, there was severe contraction of government functions to achieve economies; in education recruitment of new teachers almost stopped and a number of teachers' colleges were closed. Again, after the second world war, the Menzies Government attempted to reduce the rate of expansion of government functions, while the Fraser Government since 1976 has eliminated a number of agencies and has used a strategy of staff ceilings on public service numbers. But never before

Grant Harman

Centre for the Study of Higher Education,
University of Melbourne

has there been such a sudden and extensive planned cut in government programs, and such a sweeping elimination of government committees and agencies.

Moreover, with regard to the decisions on the Review of Commonwealth Functions, the Government is using a blunt instrument to achieve its aims. At times it is necessary for governments to reduce public expenditure and to prune and rationalize with regard to government agencies and committees. But ideally this needs to be done selectively and with great care — otherwise the efforts of many individuals and departments, and substantial public expenditure over decades in particular areas will be wasted. In the past one can point to examples of selective cuts, based on careful review and substantial professional evaluation. But in this case, the Government has not produced evidence to demonstrate that this has been done.

While the 'Razor Gang' decisions on education caught educators largely unawares, the issuing of the guidelines to the commissions, and the contents of the guidelines and the Ministerial statement of 4 June², were by no means totally unexpected. Since 1976 the Fraser Government has followed the practice of providing guidelines in about May of each year for the commissions to follow in making their detailed recommendations to the Government by the following July or August. This year educators awaited the guidelines particularly keenly, since it was anticipated they would provide details of funding and policies not only for the calendar year 1982, but for the 1982-84 triennium. Moreover, while some decisions announced by the Minister on 4 June were unexpected, the substantial decisions on funding for tertiary education were in line with statements made by the Prime Minister on 30 April last.

For education, many of the Government's decisions have come as a great disappointment to the education community. They are having and will continue to have a demoralizing and unsettling effect in an area where idealism, vision and continuity are key ingredients for effort and excellence. Potentially many decisions could have substantial impact in terms of national programs and functions, and also of activity at state and institutions levels. With regard to the tertiary sector, the Government's decisions appear likely to lead to some quite fundamental restructuring across particular state CAE and university sectors within a matter of months.

In this paper, I discuss the political-administrative context in which the Government's decisions were made, summarize the main decisions with regard to education, and comment on the significance and possible consequences with regard to four topics: the future of Commonwealth involvement in education; funding for tertiary education; the introduction of tuition fees in universities and CAEs; and the rationalization of single-purpose teacher education CAEs.

Political-Administrative Context

In terms of the general political context with regard to the two sets of decisions, four points should be kept in mind. In the first place, it is clear that the Government and Prime Minister in particular have been under considerable pressure to turn their words and slogans into action. The Government's declared economic strategy is that inflation must be kept in check by controlling the money supply and government spending, and that the public sector must be cut-back in order to accelerate economic growth. The Government has declared on numerous occasions its commitment to small government — to a reduced bureaucracy, to less interference in the business sector, and to less regulation of economic life generally. It is also committed under its policy of 'New Federalism' to push back various governmental functions to the states. But, with relatively few exceptions, the Fraser Government has not been able to live up to its rhetoric. Comparatively few substantial functions have been returned to the states, few Commonwealth agencies have been terminated (a number marked for abolition in election speeches survived up to the 'Razor Gang' decisions), and very little substantial progress has been made in trimming the size of the Commonwealth public service, or the maze of government restrictions on business enterprise. Thus, in these circumstances, it is not surprising that there have been and will continue to be pressures from supporting interests for the Prime Minister to 'wield the axe'. Moreover, with the new international austerity mood of budget cuts and trimming of government functions, in company of such other heads of government as Margaret Thatcher and Ronald Reagan no doubt the Prime Minister will want to boast of his achievements in paring bureaucracy and public spending.

The second point is that the government faces considerable budgetary problems. It is committed to the notion of tax cuts, and if it is to keep to its declared overall economic strategy government outlays must be kept in check. However, government expenditure has mushroomed, particularly in the areas of health and social security, while the opportunity to substantially increase income has been lost through either lack of will or inability to deal with large-scale tax avoidance. Without the special petrol levy, the Government's financial difficulties would be very considerable. Moreover, revenue from this levy will decline sharply in the next few years.

A third consideration is that the Prime Minister's leadership is by no means secure in the long term. One possible partial explanation for the decisions is that the Prime Minister needed to demonstrate in a relatively dramatic fashion his ability and willingness to be a leader of action, and to take tough decisions. Significantly the 'Razor Gang' decisions affect all portfolios, but in cases such as the Department of Prime Minister and Cabinet the 'cuts' appear to be largely cosmetic.

Fourth, for various reasons education generally no longer commands the same degree of support that it appeared to enjoy during the late 1960s. With regard to tertiary education, for example, both the media and business interest groups often assert that universities and CAEs have expanded their enrolments to an unnecessary extent, that public money has been wasted, and that more emphasis needs to be given to technical and further education. This climate of opinion thus makes education as a policy area more vulnerable than a number of competing areas. At the same time, it must be recognized that up to the present time education expenditure has not been cut back to the extent that many educators anticipated.

If we assume that my argument about pressures operating on the Prime Minister and Government is valid, it must be admitted that the Government probably acted rationally from its viewpoint with regard to its 'Razor Gang' strategy — a dramatic, sharp and largely unexpected blow, which would gain maximum coverage in the media, impress supporting interests, and catch many of the affected agencies and their supporting interests unaware. Clearly this strategy worked, at least in the short term; TV and radio news, radio 'talk-back' sessions, and the press all gave the Prime Minister's announcement maximum coverage. Further, while selective and careful pruning of functions is the sensible approach when a government needs to cut expenditure, it must be admitted too that such an approach often runs into difficulty. Agencies and their supporting interests, for example, get time to organize and lobby. Thus in coldly political terms it is probably true that a simultaneous major pruning across numerous policy areas is more likely to succeed than a process of dealing carefully with each policy area and portfolio in sequence. But to say that the Government may have behaved rationally in terms of immediate self-interest, does not mean that the decisions made were in the public interest, or even necessarily in the long term interests of the current administration. Moreover, the long-term effects may be different to the short-term impact; once the decisions are actually implemented and affect individuals the public response on a number of key issues may quickly change.

One matter that is not widely understood is that the committee of Ministers chaired by Sir Phillip Lynch was supported by a high-level secretariat drawn mainly from the Department of Prime Minister and

Cabinet, and headed by a very senior officer of that department (with a Ph.D in economics). Over recent years the central departments in Canberra (Prime Minister and Cabinet, Treasury, Finance, and the Public Service Board) have become increasingly important and powerful. Under Malcolm Fraser's Prime Ministership, the Department of the Prime Minister and Cabinet has become a particularly major force in the Commonwealth bureaucracy; since 1976 its staff has grown by 17 per cent, and it now has sections or units which mirror and monitor the activities 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 this centralization (which incidentally is by 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 co-ordinate and provide alternative advice to that provided by the operating departments. In turn, the operating departments (and often their ministers) become frozen out of key decision-making in areas which affect them, and for which they and their ministers have to accept responsibility for implementing policies. It also means that the detailed knowledge and expertise in operating departments is often not used as effectively as it might in decision-making.

In the case of the 'Razor Gang' exercise, it appears that most, perhaps all, the operating departments were frozen out of the decision-making; in many departments particular decisions apparently were totally unexpected. The Government no doubt would justify the decision-making made on this occasion on the grounds that agreement on major cuts may have been impossible to achieve if all ministers and their departments were intimately involved. But this centralizing tendency in the bureaucracy associated with a similar tendency in Cabinet gives reason for real concern. In the education area, for example, it poses a threat to rational and consistent policy development and to developing truly national approaches, in conjunction with the states, to particular problems. It also will lead to cynicism about the value of the numerous committees of enquiry on education set up by the Commonwealth, and of the role of policy-research and the development of extensive information bases for planning. Ironically a Government which prides itself on being a good manager seems bent on

eliminating mechanisms to achieve good management — research, inquiries, monitoring of programs and the building up of detailed information bases.

The strategy adopted by the 'Razor Gang' is clear — their targets generally were numerous small advisory bodies and agencies, and what the Government would regard as 'soft' areas (meaning areas where cuts would not be likely to worry powerful supporting interest groups, and in fact may well please such groups). The savings which will be achieved will be relatively small — some \$560m. p. a. at an optimistic estimate out of a total current Federal budget outlay of \$36,000m., or a mere 0.15 per cent. But what the Prime Minister's announcement does is to give 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.

This last point is important. In many senses the Prime Minister's speech of 30 April can be viewed more as a statement of political philosophy, ideology and action addressed to the media and supporting interests throughout Australia, rather than a simple agenda for bureaucratic changes. In part too, the speech should be seen as posturing for negotiations with the states with regard to reimbursement of tax income and the re-allocation of roles between federal and state governments. By cutting its own expenditures and eliminating programs and agencies, the Commonwealth is in a stronger position to insist on budgetary constraint and economy at state level.

One question that is being raised frequently is whether the Government will actually implement its announced policies resulting from the Review of Government Functions. In other words, will the decisions stick? Prediction here is hazardous. Clearly the Government cannot afford to go back on most decisions without loss of credibility, but there is reason to expect some retreat and variations; already there are signs of this. I assume that

- (a) some Cabinet Ministers did not grasp the full consequences of all decisions for their own departments and portfolios, and will argue for exceptions to be made;
- (b) Ministers outside Cabinet will be likely to fight to retain particular programs, agencies, or functions within their portfolios;
- (c) back-bench Government members will be under strong pressure from angry constituents (and in many cases Liberal back-benchers hold their seats by narrow majorities);
- (d) pressure to save particular programs and agencies will come from State Governments and particular State Ministers; and
- (e) at least some pressure groups will mount campaigns which will attract considerable media attention, and possibly substantial community support.

Significant pressure too has come and will continue to come from the various state Liberal Party machines, and from state premiers. Consider, for example, the many 'notables' who will lose their official positions (even if unpaid ones) with the abolition of numerous advisory boards and committees. Presumably some of those who are well connected within Liberal Party state branches will use the party machine as a means of expressing annoyance and disappointment. But more important is the fact that a number of state Liberal Party machines are in turmoil because of state leadership crises, and there are considerable tensions between state Liberal Party branches and the Prime Minister. Further, the Prime Minister's mishandling of the May Premiers' Conference injected a new element of instability in federal-state relations. This instability has increased with the release of the recent report of the Commonwealth Grants Commission and the mid-June Premiers' Conference. Thus, for a combination of reasons, some retreat from the 'Razor Gang' decisions may be expected, but this will probably tend to be more in areas other than education. Moreover, the retreat in many cases will more likely amount to implementing the formal closure of a particular agency or program, but at the same time saving some of its functions or services, or to excluding a particular case (e.g. one engineering school of the three specified for closure) from a general policy decision.

Another unknown in any discussion of implementation of the 'Razor Gang' decisions relates to the fact that from the commencement of the current parliamentary session the Government no longer has a majority in the Senate. Although the Australian Democrats are committed to a general policy of not blocking supply, they may well decide to use their power to reject bills providing for measures such as the introduction of tuition fees in tertiary education, even if proposed legislation takes the form of state grants bills. Apart from this, fear of rejection of legislation in the Senate may well cause the Government to reconsider particularly controversial decisions which require legislation to achieve implementation.

With respect to the guidelines issued to the commissions, it is important to recognise, as already mentioned, that the practice of providing guidelines to each of the commissions prior to preparation of their detailed financial recommendations for commonwealth expenditure has been followed since 1976. Prior to that date, the practice was for the commissions to make assessments of the needs of institutions and programs within their areas and to make detailed triennial reports, which included recommendations on both policy direction and financial expenditure. In the case of the two older commissions (the Universities Commission and Commission on Advanced Education), up to 1975 their recommendations had been generally accepted by the government with only occasional minor variations. Because of budgetary pressures, in August 1975 the Whitlam Government rejected the triennial

recommendations of the four commissions then established (Universities, Advanced Education, TAFE, and Schools) and announced that the triennial system of funding would be temporarily abandoned and that for the calendar year 1976 all institutions and programs would be held approximately to their 1975 levels of funding. In 1976, in conjunction with reinstating the triennial system, but on a 'rolling basis', the Fraser Government began the practice of issuing guidelines to the commissions. These guidelines have specified the maximum funds available for allocation, and have provided broad policy directives. In order to influence the content of the guidelines, the two current commissions began the policy some four years ago of producing reports making recommendations to the Government on the guidelines. Thus early in 1981 both commissions produced detailed reports; in the case of Tertiary Education Commission its report runs to five volumes and includes over 1000 pages of text. On this occasion, however, the guidelines are much more detailed and prescriptive. Among other things they constitute a further erosion of the independence of the two remaining Commonwealth education commissions.

Summary of the Main Decisions with Regard to Education

In essence the main decisions on education with respect to the Review of Commonwealth Functions are as follows:

Schools Commission

- reduction of direct involvement in program administration in the states and of information collection.
- scaling down of state offices.
- greater controls over funds for school building projects.

Curriculum Development Centre

- abolition unless states agree to contribute 50 per cent of operating costs.
- in future only curriculum projects requested by the Australian Education Council be undertaken.

Research and International Education

- abolition of Education Research and Development Committee and termination of special funding for research.
- scaling down of 'in-house' and contracted research in Department of Education.
- scaling down of participation in UNESCO and OECD.

Student Financial Assistance

- introduction of loans scheme to be administered by tertiary institutions.
- tightening of eligibility criteria for TEAS.

Tertiary Tuition Fees

- introduction of fees in universities and CAEs for students undertaking second and higher qualifications, except for recognized double degree and diploma combinations.
- above to apply to new enrolments from 1982.

University and CAE Rationalization and Funding

- Government guidelines to Tertiary Education Commission will apply 'maximum expenditure constraints'.
- Government will promote rationalization.
- funding for 30 teacher education CAEs will be at risk after 1981 unless amalgamations.
- provision of \$5m. to help move resources from teacher education to business and technology courses within advanced education.
- closure of schools of engineering at Bendigo CAE, Preston Institute and Deakin University.
- assessment of grants to Murdoch University and the University of Western Australia in future will be based on 'greater sharing and collaboration'.
- no Commonwealth funds will be provided for University of Northern Territory in the 1982/84 triennium.

ACT Education

- abolition of position of Commonwealth Teaching Commissioner.
- restructuring of ACT Schools Authority.

The decisions announced in the ministerial statement of 4 June and in the guidelines reaffirm, elaborate and extend decisions announced by the Prime Minister on 30 April. They also reflect the Government's deliberate decision to give priority to the areas of technical and further education, vocational education, and transition education, and its sensitivity to the needs and pressures of the non-government school sector. The key decisions in summary are as follows:

General

- the Minister claimed that 'the overall financial outcomes for Commonwealth programs administered by the education commissions is that total spending will be maintained at the 1981 level in real terms with the cost of election initiatives provided as an addition' and the total sums to be made available in 'out-turn prices' will be \$2,871.2m. representing 'an increase over 1981 of 1.5 per cent in real terms'.
- elimination of present practice of retrospective supplementation for cost increases and instead inclusion of prospective allowance to take account of cost increases.
- inclusion of word 'Commonwealth' in the title of the Schools Commission and the Tertiary Education Commission.
- greater emphasis to transition programs in both secondary schools and TAFE (Up to \$75.4m. will be allocated for 1982).
- Government has under review payment of unemployment benefits to 16 and 17 year olds.

Reaffirmation of 'Razor Gang' decisions

- introduction of tuition fees for second and higher degree students.
- introduction of a loans scheme for tertiary students.

- elimination of the Education Research and Development Committee and the Curriculum Development Centre (unless state support is provided for 50 per cent of the costs of the latter).
- rationalization of teacher education CAEs, closure of engineering schools at Deakin University, Bendigo CAE and Preston Institute of Technology, and insistence of greater sharing of resources between the two universities in Western Australia.
- rejection of Commonwealth funding for the triennium 1982-84 to establish a University in the Northern Territory.
- reduction of Schools Commission's direct involvement in program administration and information collection.

Tertiary Education Funding

- reduction of recurrent and capital funding in real terms for University and CAE sectors, but a small increase in equipment grants to replace outdated equipment.
- agreement to fully support teacher education courses in particular non-government teachers colleges which at present receive up to 50 per cent funding. (Funds for this purpose will come from the total grants provided for universities and CAEs).
- provision of increased recurrent funding for TAFE.
- the TEC will report on progress with regard to CAE amalgamations by 30 June 1981.
- funding allocated includes provision for the establishment of research centres of excellence in universities, development of community language programs, and 350 additional basic nursing training places.

Endorsement of or reaction to TEC recommendations with regard to Tertiary Education

- universities to be recognised as having a special institutional commitment to scholarship and research and to training scholars and research workers.
- special funds not be provided for research in CAEs.
- The TEC's revised guidelines for masters degrees in CAEs be adopted (i.e. such programs to have an applied nature, be provided only in designated CAEs, and not duplicate activities in other universities and colleges).
- The advanced education sector should maintain its vocational objectives and not provide for significant enrolments in liberal studies courses.
- redirection of effort in advanced education from teacher education to the technologies and business studies and re-allocation of resources accordingly.
- Government will examine TEC recommendations with regard to superannuation.
- TEC to report further on duplication with regard to external studies.

Schools Commission

- reduction of grants in real terms to government sector to enable increased funding (especially recurrent funds) for non-government schools.
- earmarking \$27m. of recurrent block grants to government schools systems in 1982 for transition programs. Of this \$27m., \$9m. will be set aside for cash grants to government secondary schools or committees at the rate of \$10 per pupil.
- earmarking in 1982 of 15 per cent (about \$19m.) of government schools capital program for equipment and facilities for transition education in secondary schools.
- reduction of Schools Commission's direct involvement in program administration.
- Direction of additional resources to migrant education, to the country areas program, and to special education programs in non-government schools.
- insistence the schools building projects supported by Commonwealth funds not exceed specified standards.
- end of arrangement permitting states to seek transfers of amounts between general recurrent and capital allocations.
- for non-government schools, the Government will maintain the percentage link between its general recurrent grants and average government schools standard costs and compress the existing six subsidy levels to three.
- provision of an additional \$25m. over three years (1981-83) to assist non-government schools with the provision of new places.
- elimination of Innovations program.

Significance and Likely Consequences

This section discusses the significance of particular decisions and their likely consequences with regard to four topics: the future of Commonwealth involvement in education; funding for tertiary education; the introduction of tuition fees; and rationalization of the CAE sector. Concentration on these topics in no way is meant to imply that other decisions or issues are less important.

(a) The Future of Commonwealth Involvement in Education

The Fraser Government's recent decisions on education raise broad questions about the likely future role of the Commonwealth Government 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 specialised programs, related mainly 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 and recurrent 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 total Commonwealth outlays. In the tertiary field, the Commonwealth has full responsibility for providing regular capital and recurrent funding for universities and CAEs, even though almost all of these institutions are state institutions, set up by state governments and legally the responsibility of a State Minister of Education and Government.

The phenomenon of Commonwealth intervention in Australia education is particularly interesting, both from historical and constitutional viewpoints. At federation 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 various political and other 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 through the Social Services amendment 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 involvement in education, after a period of almost forty years, under both Labor and non-Labor administrations, in which the Commonwealth has been steadily expanding its influence and role? Did it imply that the current Government plans to retreat from its involvement in education and leave education to the states?

The two sentences used by the Prime Minister to commence the section of his statement on education are of key importance. They read as follows:

As with Health, the Commonwealth believes that the States have a primary responsibility for the administration and delivery of educational services. Accordingly, it proposes to reduce significantly its involvement in this area.³

One interpretation of these sentences is that, because the Commonwealth Government believes education to be primarily a state responsibility, it thus intends to significantly reduce its involvement in the education area. However, a different interpretation

can be drawn if the words 'primary responsibility for the administration and delivery of educational services' are given emphasis. Thus the Prime Minister's statement can be understood to mean not necessarily signalling substantial withdrawal of financial support for education, but rather proposing withdrawal from primary responsibility for administration and delivery of educational services.

The statement by the Minister for Education on 4 June would appear to support the second of the two interpretations. Two sections from his speech should be noted. Early in the speech he stated:

The states have the primary responsibility for the administration and delivery of educational services, particularly at school level. The Commonwealth provides full funding for universities and colleges of advanced education and supplementary funds for quality improvement, for general development and for priority areas in schools and TAFE. The Commonwealth believes it has a particular role in identifying and bringing resources to bear on educational issues of national importance.⁴

His concluding words were:

The Commonwealth will maintain its overall commitment to education as a priority area of direct Commonwealth endeavour.⁵

Thus, the most likely overall interpretation of the two speeches and sets of decisions 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 education services, particularly in relation to schools, and to push state governments to accept a greater share of responsibility in the area of education, particularly with regard to state schools.

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 states should do much more in education. At the same time, they have frequently asserted that the Government has no intention of withdrawing from education. In view of the role of non-Labor administrations over a long period under Menzies and his successors in drawing the Commonwealth further into education, it is hard to imagine that total withdrawal would be an acceptable policy generally within the non-Labor parties. Moreover, in the schools area the Commonwealth is 'locked-in' because of its substantial commitments to non-government schools. No government, non-Labor or Labor, is likely to substantially reduce or eliminate funding for non-government schools; the electoral risks simply would be too great. The only possible way out would be if the states were prepared to accept this responsibility, but it is difficult to imagine a Commonwealth Government being able to provide sufficiently attractive incentives to achieve this. Further, if the Commonwealth is thus 'locked-in' to continuing support for non-government schools, elimination of the very

substantial recurrent grants to the state school systems (over which the Commonwealth to date has achieved a minimum degree of real influence) would pose considerable problems. It would mean, among other things, that the Schools Commission would become primarily (even entirely) an agency to fund non-government schools; it would also most likely threaten a return to the old divisive debate on 'state-aid'. At the same time, it should be noted that the gradual shifting of resources from government to non-government sectors may well eventually provoke state school interests to the point that they are able to revive, at least to some degree, the 'state-aid' dispute as a political issue of substance.

While reduction of Commonwealth financial support for particular education sectors and elimination of particular programs and functions will have unfortunate effects, particularly after six years of budgetary constraints, it should be admitted that the current federal-state financial arrangements with regard to education are by no means entirely satisfactory. Rather in many respects they are inefficient and dysfunctional, and are a direct source of some of the current problems now being faced in particular sectors. Federal-state roles and responsibilities for education are a complex and difficult matter. On the one hand, state governments have made it clear that they do not wish to relinquish control of any sector of education (even higher education, where they no longer pay the bill), and quite rightly they argue that it is desirable for each state government to adopt those policies on education to best meet local needs and demands. On the other hand, to a substantial degree, a national approach to many aspects of education is highly desirable. Education obviously is not unrelated to national policy with regard to labour market needs and supply, employment and re-training policies, and to immigration policy. Many education research and policy problems are common across the nation and not confined simply to one state, while tertiary institutions to a substantial extent are producing professionals and skilled manpower to meet national labour market needs. In higher education, the problem is particularly difficult. While state governments have jealously sought to retain their legal rights with regard to the control of universities and CAEs, since 1974 (when 'total' Commonwealth funding for higher education began) State Ministers and administrations have often acted less than responsibly. Generally they have sought simply to maximize state financial advantage (sometimes even to the extent of pushing courses from TAFE to CAEs, or from secondary education to TAFE) and to keep out of political trouble. Consequently many of the states have been slow to face up to problems of rationalization or possible closures. Undoubtedly State Ministers in a number of cases have stalled on or rejected outright unpopular decisions recommended by state co-ordinating agencies. The reverse side of the coin is that the Commonwealth has tended to dominate in policy determination, while at the same time attempt-

ing to push unpleasant decisions (such as details for rationalization) back to the states. This situation has sometimes placed state co-ordinating authorities in a difficult and unenviable position, and increasingly in functional terms they have come to look more like branch offices of the TEC rather than state agencies.

The most sensible solution is to seek a more rational allocation of roles and responsibilities among Commonwealth and state governments on education and to work to achieve a more co-operative, joint federal-state approach to educational needs and problems. If, as a nation, we are committed to a federal political system in which government at both levels wish a major involvement in education, we should strive to make federalism work to the benefit of education, not to its disadvantage.

(b) Funding for Tertiary Education

In his statement of 30 April the Prime Minister said that, in determining the guidelines for the two commissions, the Government would 'be applying maximum expenditure constraints to the programs in all sectors'. The guidelines certainly do this. However, they provide for much greater constraint on university and advanced education sectors than they do for schools and TAFE. Whereas the TEC sought \$1352.8m. in recurrent funds for universities and CAEs for 1982 (estimated at December 1980 price levels), the grant will be \$1337.7m. (compared with \$1340.6m. in 1981). Alternatively expressed in 1982 outturn prices the grant for 1982 will be \$1558.4m. compared with the 1981 grant of \$1566.5m. Detailed information is provided in Table 1.

Table 1
University and CAE Grants for 1981, and Recommendations and Guidelines for 1982 (\$m.)*

| Grants | 1981 | Recommendations | | Guidelines for 1982 |
|--------------|---------------|-----------------|---------------|---------------------|
| | | Councils | TEC | |
| Recurrent | 1340.6 | 1390.0 | 1352.8 | 1333.7 |
| Equipment | 56.2 | 67.3 | 67.3 | 59.9 |
| Capital | 36.1 | 67.7 | 50.0 | 31.1 |
| Total | 1432.9 | 1525.0 | 1470.1 | 1424.7 |

* Estimated December 1980 quarter price levels for recurrent and equipment grants, and estimated December 1980 price levels for capital grants.

The actual impact that these cuts will have on individual institutions will not be known for some months until the Government decides on precise grants to institutions, following consideration of Volume 2 of the TEC report due by 31 August. But apart from this, the new arrangement to replace retrospective supplementation to institutions for cost increases due to salary rises with a system of building in a prospective allowance to take account of cost increases has injected a major added element of uncertainty since the total sums announced for 1982 are said to already include the prospective allowance for cost adjustment. Estimates of the reduction in

recurrent funds in real terms for 1982 to the two higher education sectors vary, but current informed opinion is that a cut of at least 1.5 or 2 per cent is implied.

While there is some ambiguity concerning the actual cuts in real terms, a number of other things with regard to funding are clear. First, the total sum provided for universities and colleges already includes provision for funding the Government's 1980 election commitments (research centres of excellence, community language courses, and 350 additional basic nursing places in CAEs), and for providing full support for teacher education in certain non-government teachers colleges which currently receive only up to 50 per cent of recurrent costs. Second, when the number of students required to pay tuition fees at each institution is determined a corresponding adjustment will be made to the levels of recurrent grants. Third, the Government intends that consolidation of institutions will result in real saving of resources, and will fund institutions on that basis.

With regard to the new scheme of supplementation, the guidelines state that in adopting the new arrangement 'the government has taken a more rigorous approach towards cost adjustment which in the past has provided additional funds automatically and has had a tendency to insulate educational institutions from the effects of inflation and from the need to contain excessive wage claims'. Whether, in fact, the current system has led to a measure of irresponsibility by tertiary institutions is a matter open to debate, particularly when it is recognized that for both academic staff and many categories of non-academic staff salary levels are set not by tertiary institutions but by national or state tribunals or wage-fixing commissions. The actual practice of prospective provision for cost increases may not necessarily be a bad one, but whether it works to the advantage or disadvantage of tertiary institutions will depend largely on how accurate and realistic the cost forecasting is, and how generous are the allowances made annually for anticipated cost increases. Moreover, because this system introduces greater uncertainty into budgeting, provision is necessary for both institutions and their sub-units (i.e. schools, departments) to be able to carry funds between years within each triennia.

Unlike previous years, the 1981 guidelines do not specify enrolment targets or maximum numbers for university and CAE sectors, despite the fact that the TEC recommended precise figures (120,000 EFTS to 124,000 EFTS for colleges for each year, and 139,000 WSU to 142,000 WSU for universities) which were at about 1 per cent below 1981 enrolment levels. Until it is possible to estimate the effects of tuition fees, and until there are decisions on TEAS allowances and the conditions of loans, it is not possible to predict in broad terms the likely levels of enrolments for sectors, let alone for institutions.

For 1983 and 1984 the total recurrent allocation for universities and CAEs will be at the same as for 1982 — \$1558.4 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 further continuing strain on universities and colleges. It will pose difficulties for institutional management and lead to more intense competition within institutions for available resources. But in the longer term real concern must be about maintaining quality and high academic standards, and about narrowing access to higher education. Moreover, after the past six years of budgetary constraint, there must come a time when both the TEC and institutions have to face up to the question of whether cuts should continue to be shared more or less equally 'across the board', or whether they should be selective. It is significant to note that in the U.K. the University Grants Committee had adopted a selective strategy for the 1980s. Under this strategy, ten of the 45 universities will be largely protected from the full rigour of cuts in public 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 18 and 27 per cent.⁶

(c) 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 exempt; and
- grants to universities and colleges will be offset to take account of fee income.

A number of general points need to be made in discussing these policy decisions. First, a distinction needs to be made between the issue of whether or not it is desirable and equitable for tuition fees to be charged in any higher education system, and the re-imposition of fees, especially in a time when the higher education system is undergoing one of its most difficult periods for many years. The removal of a benefit which has come to be regarded as a right will inevitably cause resentment and conflict, and higher education institutions currently have enough problems to face without those that 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 a further incentive to shift 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 has been seriously reduced and the attractiveness of the relatively small numbers of post-graduate scholarships drastically eroded. It is a further blow to efforts to develop strong research departments and graduate programs. Yet at the same time, in official policy statements the present Government has emphasised the need for such developments. Indeed, the Guidelines endorse the view of the TEC

that universities should be recognized as having a special institutional commitment to scholarship and research and to training scholars and research workers — the Government's commitment to the establishment of research centres of excellence in universities is evidence of its support.

Fourth, imposition of fees will provide strong disincentives to particular professionals wishing to up-grade their qualifications or to acquire additional skills, or to new graduates wishing to take particular additional courses in order to acquire skills related to a particular specialized occupation. In a highly technological society undergoing a period of rapid change, it might be thought that governments would provide every incentive possible to encourage re-training and up-dating, and professionals to develop new skills and fields of expertise. Fifth, because of the degree of course overlap between universities and colleges of advanced education, their futures are closely related. For example, the effects of fees on universities may well have a direct impact on enrolments in college courses, or vice versa. Sixth, it is not always appreciated that the Commonwealth has considerable potential power to ensure that its policy on tuition fees is enforced. According to the Prime Minister's document, grants to universities and CAEs will be calculated on the basis that fees will be charged by the institutions. But apart from this, the collection of fees by institutions could well be made a condition of the grants to institutions in the relevant states grants legislation. Similarly by such means the Government could coerce institutions to operate the tertiary loans scheme. This, of course, presumes that the Government will be able to secure passage of appropriate legislation through the Senate.

The Prime Minister's statement of 30 April, the Minister's statement of 4 June and the guidelines all left vague and uncertain many aspects concerning the implementation of the tuition fees policy. For example, no real guidance was provided with respect to likely fee levels, or to how the key words 'initial tertiary qualification' would be defined. A news media

release, however, issued by the Minister for Education on 2 July provided important details on a number of points. In summary this release announced:

- (a) The annual tuition fees to apply from 1982 for students beginning full-time courses for second or higher degrees in universities and colleges of advanced education will be \$1000.
- (b) Fees will not apply to any students who had begun a course prior to 1982.
- (c) Fees for part-time students 'would be calculated by individual tertiary institutions on a pro rata basis'.
- (d) The maximum total fees to be changed for students completing a doctoral degree would be \$3000, while the maximum total fees for students completing a masters degree would be \$2000.
- (e) Students would not be required to pay fees if they were
 - enrolled for a first diploma at either undergraduate or post graduate level;
 - enrolled for a first degree;
 - enrolled for an honours year, masters qualifying course or legal skills course;
 - enrolled in a combination course approved under the TEAS scheme where the combined course was a first qualification; and
 - upgrading an associate diploma or similar lower level qualification to a bachelor degree or diploma in the same field.
- (f) Exemption from fees would apply to the following cases:
 - overseas students who had paid the Overseas Students' charge and overseas students who had been exempted;
 - students holding Commonwealth Government awards;
 - students holding university, CAE, or state government awards of at least \$3500 p.a.; and
 - full-time academic staff of tertiary institutions.

These decisions indicate a further softening of recent Commonwealth policy determinations on education. According to the initial announcements, it appeared likely that many students who will now be exempted would be liable to pay fees. For example, at face value the original statement that fees would be charged for students 'undertaking degrees and diplomas subsequent to an initial tertiary qualification, except for recognised double degree and diploma qualifications' seemed clearly to mean that even students upgrading in the same field from associate diploma or diploma award to diploma or bachelor degree would be charged fees. Such upgrading is particularly common in education; in fact, upgrading from two or three year status to a B. Ed. degree provides a sizeable proportion of total student load in education in many CAEs. Similarly the phrase 'initial tertiary qualification' could easily have been interpreted in such a way as to mean that a student holding a TAFE certificate would be charged fees for any award course attempted in universities or CAEs.

A number of the decisions with regard to tuition fees announced by the Minister on 2 July are somewhat surprising. In the first place, the decision on fee levels marks a distinct change from previous approaches in this country. The policy now is that for all courses, whether in universities or CAEs, there will be a common fee for full-time students of \$1000 p.a., irrespective of whether the course is a bachelors degree, a graduate diploma or a Ph.D., and irrespective of the field of study. The only exception will be that maximum charges are provided for masters and Ph.D. courses only. Currently the fees charged to overseas full-time students vary between both course fields and levels — \$2500 p.a. for post-graduate courses, \$2000 p.a. for first degree courses in medicine, dentistry and veterinary science, an \$1500 p.a. for other courses.⁷ Similarly fee levels charged by institutions up to 1973 varied between levels of courses and fields, and also between sectors; CAE fees were substantially less than fees in universities, and within sectors there were also minor variations between different institutions. 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 bachelors level between the expensive and less expensive faculties, and that postgraduate fees were substantially less than undergraduate fees.

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

**Table 2
Tuition fees at the University of Melbourne in 1973,
and 1973 Fee Levels
Adjusted to 1981 Prices**

| | | 1973 p.a. | 1981 p.a. |
|---|----------------|--------------|--------------|
| Bachelors degree courses in Arts, Commerce, Law, Music etc. | full-time | \$456 | \$1140 |
| | part-time | \$228 | \$570 |
| | single-subject | \$153 | \$359 |
| Bachelors degree courses in Science, Medicine, Dentistry etc. | full-time | \$528 | \$1320 |
| | part-time | \$264 | \$660 |
| | single-subject | \$153 | \$359 |
| Masters and PhD degree courses | full-time | \$180 | \$450 |
| | part-time | \$90 | \$225 |

Second, the exemptions agreed to are quite significant. For many university education schools and social science departments the exemption of fees for all 'full-time academic staff in tertiary institutions' will have an important effect on part-time graduate enrolments, particularly at Ph.D. level; in many such departments, the bulk of part-time enrolments for the Ph.D. degree are university and CAE staff. Similarly exempting students studying for 'a first diploma... at postgraduate level' is likely to lessen significantly the impact of tuition fees on graduate diploma enrolments in CAEs.

Third, it is somewhat surprising that fee levels were not specified for part-time study; rather the Minister had said that fees for part-time students will 'be calculated by individual tertiary institutions on a pro-rata basis'. This may well pose considerable problems, since at both undergraduate and graduate levels the actual load carried by individual part-time students as a proportion of the typical normal full-time student load can vary to a major extent. The Government may well want to reduce grants to individual institutions on the basis of the numbers part-time students who should be paying fees, using either the WSU method (for universities) or the EFTS method (for CAEs) for calculating student load. Such a procedure could lead inevitably to tensions and argument, and also most likely to inequities between students and between sectors.

Fourth, all the various exemptions granted will mean that the actual cost savings will be much less than originally anticipated. A press report in early May⁸ suggested that a total saving of \$28m. p. a. would be achieved in time, but on present indications the actual savings will be far less. This raises even more sharply whether the administrative costs involved warrant implementation of the scheme.

(d) Rationalization in Higher Education

One of the major thrusts of both the Prime Minister's statement with regard to education and the Minister's statement relates to rationalization in higher education. According to the Prime Minister, 'the Government has been concerned at the proliferation of separate institutions and proposes immediate action to minimise this trend and to provide for more efficient use of resources'.⁹ The plan thus is to consolidate thirty CAEs (nine of them in Victoria) for which teacher education is the main activity into larger institutions (either into multi-purpose or multi-campus colleges, or by integration with neighbouring universities), to close engineering schools at Bendigo CAE, Preston Institute of Technology and Deakin University (and possibly at Caulfield Institute of Technology too), and to attempt to divert some resources from teacher education to technology and business studies. Unless the states make arrangements satisfactory to the Commonwealth by the end of 1981 with respect to the thirty single-purpose teachers colleges, their future funding by the Commonwealth clearly is at risk.

Close reading of the relevant paragraphs in the Prime Minister's statement and comparison of these with the detail set out in the supporting papers reveals some ambiguities. For example, the supporting papers state bluntly that 'Commonwealth Funding for thirty single purpose CAEs to cease as single purpose institutions from the end of 1981',¹⁰ but also say:

Consideration to be given to funding activities of single purpose CAEs where they have amalgamated with or into longer institutions to the satisfaction of the Commonwealth by the end of 1981.

However, in his speech the Prime Minister took a softer line; he said that funding for the thirty teacher education colleges is at risk only if satisfactory arrangements are not made by the States by the end of 1981, and this position was taken by the Minister in his 4 June speech. Apart from this, there are ambiguities in all the documents concerning the terms 'multi-purpose' and 'multi-campus'; at last two of the three Catholic teachers colleges on the closure list are already multi-campus institutions.¹¹

What is clear, however, is that 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 Government's declared policy is that the states 'have the primary responsibility for the administration and delivery of education services'. They also mark a change in practice; to date the Commonwealth has generally adopted the line that within advanced education it is a state matter to decide on how available resources will be spent within the context of overall guidelines. But on this occasion the Commonwealth has determined precisely which institutions must amalgamate, and has named even particular engineering schools for closure or possible closure. On this point, it is significant to see that at least one State Minister of Education has been highly critical of the Commonwealth. In his press release of 5 May, the Hon. A. J. Hunt, MLC, Victorian Minister of Education, called the Prime Minister's statement with regard to rationalization 'a unilateral, blunt, insensitive and ill-considered announcement' and one 'which disclosed no appreciation whatever of the problems involved for staff, for students and for institutions'. He also said:

It was an unnecessary announcement, for the problems which it addressed had been mutually resolved and the steps necessary to achieve the results desired by the Commonwealth were already in course of discussion with the colleges concerned in a consultative way. It was a misleading statement because it gave the impression that wholesale closure of colleges was likely to result, or that their funds would be withdrawn. In doing so it fueled the fires of uncertainty and was quite damaging to morale.¹²

One further point deserving comment is an apparent contradiction on government policy with regard to teacher education. At the same time as the Commonwealth Government is insisting on amalgamation of thirty teacher education CAEs (including three Catholic institutions) on the grounds of concern about proliferation of separate institutions, it has agreed to fully support teacher education courses in 'certain non-government teachers colleges' (no names or details given) which currently receive partial funding. Further, the TEC advised specifically against such funding.

Having said all this, a key question to raise is whether rationalization and consolidation are necessary. Obviously on this issue there will be sharp differences of opinion, but I consider there is strong evidence for some degree of rationalization being necessary nationally (but not necessarily in each state) if the following assumptions are accepted:

- (1) Further substantial reduction in teacher education numbers is necessary because of demographic trends, and since governments are not willing to further decrease class size in schools, or to use spare capacity in CAEs to make a deliberate attempt to markedly up-grade the qualifications and skills of school teachers.
- (2) For the next few years (perhaps the next decade) overall enrolments in higher education are unlikely to increase substantially at all.
- (3) Tight budgetary constraint will continue to operate, even after the 1982-84 triennium.

Of course, each of these assumptions may well be challenged as to whether the prediction is realistic and the underlying policy desirable.

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 field or occupational area. The teachers colleges constitute the largest single group of small colleges, but they are by no means the only small colleges in the state. This raises the question of why teachers colleges alone are the current target of the Commonwealth Government for amalgamations, particularly as the Prime Minister's statement refers to concern generally about the proliferation of small colleges. In Victoria, the two smallest colleges are the College of the Arts and the Victorian College of Pharmacy, both of which have an EFTS of below 500. But apart of this point, many of the small colleges operate in facilities that are sub-standard, and if they are to develop strong work at degree and post-graduate levels (and practically all colleges aspire to this) would require substantial investment in better libraries and laboratories, and in staff with specialized high-level skills. In addition, Deakin University's off-campus programme provides a serious and growing threat to the viability of a particular courses in a number of smaller colleges. The Commonwealth requires that teacher education enrolments in Victorian CAEs be reduced from 14,500 in 1981 to 12,000 by 1984, and that resources be shifted to other fields. Yet the current organizational arrangements make the required adjustments within the specified time almost impossible to achieve, unless particular teachers colleges are closed and their resources diverted to other institutions, or unless substantial cuts are made in all CAE teacher education programs with resources then being released for courses elsewhere. The second of these two

strategies, however, could seriously damage most, if not all, programs, and make particular colleges no longer viable as separate institutions. Moreover, there is a long-term problem. In a 'steady-state' situation enrolment demand is unlikely to be constant in all fields over time; in some there will be steady decline, while over the same period in others demand will increase. What is required then, is a suitable mechanism to allow adjustments to take place over time, with minimum dislocation and the minimum effect on staff employment.

Table 3
Enrolments in Victorian Colleges of Advanced Education
(expressed in EFTS)

| | 1975 | 1978 | 1980 | Variation 1978 to 1980 |
|-----------------------|-------|-------|-------|------------------------|
| Ballarat | 1572 | 1542 | 1516 | -26 |
| Bendigo | 1627 | 1716 | 1411 | -305 |
| Caulfield | 3072 | 3497 | 3676 | +179 |
| Footscray | 1572 | 1937 | 2098 | +161 |
| Gippsland | 915 | 1302 | 1522 | +220 |
| Lincoln | 786 | 1430 | 1555 | +125 |
| Prahran | 977 | 1225 | 1487 | +262 |
| Preston | 1215 | 1719 | 1852 | +133 |
| RMIT | 7573 | 7730 | 8145 | +415 |
| SCV Burwood | 1447 | 1562 | 1524 | -38 |
| SCV Coburg | 1020 | 1211 | 1101 | -110 |
| SCV Frankston | 1056 | 1043 | 726 | -317 |
| SCV Hawthorn | 1250 | 1248 | 1193 | -55 |
| Inst. of Catholic Ed. | — | 1339 | 1156 | -183 |
| ICED | 610 | 723 | 719 | -4 |
| Melbourne | 3777 | 3793 | 3569 | -224 |
| Rusden | 1875 | 2052 | 2009 | -43 |
| Toorak | 1190 | 1295 | 1190 | -95 |
| Swinburne | 3307 | 3514 | 3663 | +149 |
| Pharmacy | 375 | 346 | 377 | +31 |
| College of the Arts | 165 | 366 | 462 | +96 |
| Warrnambool | 492 | 845 | 875 | +30 |
| | 35873 | 41435 | 41930 | +495 |

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 could easily lead to hurried and poorly conceived plans; good planning needs adequate time for information collection, consultation and wide canvassing of options. Second, in attempting to respond to an immediate problem, thought needs to be given to long-term as well as short-term needs. Rationalization of teacher education is an example of a short-term problem that could easily dominate future planning for higher education to an extent far beyond the emphasis this problem requires. Third, to achieve reductions in teacher education and rationalization will 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 pose special problems, particularly relating to the integration of

CAE functions and academic staff, and to the university research thrust. If integration of CAEs with nearby universities was to be the eventual government strategy for places like Townsville, Armidale, Newcastle, Wollongong, and so on, the tragedy is that the process of integration was not begun years ago, during the period of rapid growth. In the western Canadian provinces, government teachers colleges were reasonably successfully integrated into the universities in the 1960s, but this took place in a period of rapid expansion and while the teachers colleges were still very small institutions (many offered only a one or two year course). Furthermore, generous funding provided opportunities for teachers college staff with inadequate formal qualifications to take leave on salary to attempt higher degrees. But this is far from the difficult situation being forced on a number of smaller universities and adjoining colleges.

Concluding Comments

For many educators, perhaps the greatest reason for disappointment concerning the recent Commonwealth decisions with regard to education is that 'ad hocism' has triumphed once again over rational and consistent planning, and that short-term political considerations have dominated at the expense of long-term national interests. A basic need in modern democracies is for governments to be able to develop consistent, well-thought-out, forward policies for education, based on adequate information and research, and on consultation, and for a high level co-ordination to be achieved in developing these policies in conjunction with policy on economic affairs, labour market needs, immigration policy, and social and cultural considerations.

A somewhat similar reason for regret is that the apparent problems have stimulated a short-term 'band-aid' approach, instead of asking whether other options are feasible, and whether there are fundamental long-term goals to which institutions and systems might aspire. For example, the issue of the sectoral boundary between advanced education and TAFE could well be questioned. At least for some geographic regions (and even whole states) the notion of multi-level, multi-campus regional colleges, incorporating both CAE and TAFE functions, appears to make sense;¹³ such a strategy may well be preferable to the forced amalgamations of CAEs with universities in places such as Armidale and Newcastle.

Another cause for concern is whether many tertiary institutions and state government agencies have the capacity to respond quickly to Commonwealth Government initiatives. For example, very few tertiary institutions appear to have separate institutional planning and research units, attached to senior management, and able to monitor changes in both the external environment and internal trends, and produce first-rate draft planning documents at short

notice. In the past tertiary institutions in this country probably did not need such units, but 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 Government's current moves mark an unfortunate retreat in terms of sympathetic consideration for education, a retreat dictated essentially by political necessity, and that education is undergoing a period of financial constraint demanded simply by Government economic policy. Some would argue, however, that recent developments especially with regard to tertiary education should be seen within the context of deliberate efforts by conservative interests in our society to move resources from the public to private sectors, to reduce the importance of all tertiary education that does not have a direct vocational relevance (hence the emphasis on TAFE and within advanced education on business studies and technologies), and to achieve substantial reductions in student enrolments in vocational programs training personnel essentially for public sector employment (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

1. *Ministerial Statement: Review of Commonwealth Functions*, Australian Government Publishing Services, Canberra, 1981.
2. *Statement on Commonwealth Education Policy and Financial Guidelines to the Commonwealth Education Commissions: Statement by the Minister for Education, The Hon. Wal. Fife, 4 June 1981*, Canberra, 1981.
3. *Ministerial Statement*, p. 21.
4. *Statement on Commonwealth Education Policy*, p. 2.
5. *Ibid.*, p. 25.
6. *The Times Higher Education Supplement*, 3 July 1981.
7. These fees will rise from 1982 as follows: first degree in medicine, dentistry and veterinary science from \$2,000 p.a. to \$2,200 p.a.; and other undergraduate courses from \$1,500 p.a. to \$1,700 p.a. The fee of \$2,500 p.a. for postgraduate courses, however, will remain unchanged.
8. *The Australian*, 1 May 1981.
9. *Ministerial Statement*, p. 23.
10. *Ministerial Statement*, supporting papers, p. 13.
11. Policy with regard to teacher education enrolments in Catholic teachers colleges funded as CAEs has provided a dilemma for governments. Because they are small and because to date they have had few problems in placing their graduates in Catholic schools, they have argued for exemption from enrolment reductions. Other CAEs, however, have argued that reductions should be shared equally.
12. *Ministerial Statement: The Future of Victorian Colleges of Advanced Education*, p. 12.
13. For a discussion of such a plan and other possibilities see G.S. Harman et al (eds.) *Academia Becalmed: Australian Tertiary Education in the Aftermath of Expansion*, ANU Press, Canberra, 1980.

A CASE AGAINST THE RE-INTRODUCTION OF UNIVERSITY FEES

S. Encel, A. E. Daniel

and the staff of the School of Sociology,
University of New South Wales

The Federal Government has announced its intention of re-introducing fees for second and higher degrees in Australian tertiary educational institutions. We believe this to be a short-sighted and socially destructive policy, whose financial value 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 ability¹. This 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. Hence 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 present proportion of graduate and second degree students is not simply the result of abolition of fees. In 1972, before abolition, graduate students already accounted for 10 per cent of the university population; since then, numbers have risen only slowly to the present 12 per cent. The Government may perhaps calculate that if the current proportion falls back to the 1972 level, this is not a dramatic reduction and will make comparatively little difference to the academic scene. We believe such a calculation to be mistaken. The re-introduction of fees is likely to have a double effect, i.e. to induce currently enrolled students to abandon their postgraduate studies² and also to deter potential graduate students from enrolling. Thus, the proportion may well drop significantly below the 1972 level.

In addition, the collection of fees will impose a significant administrative burden on the universities, the cost of which will largely consume the amounts collected. The establishment of such an organisation would, of course, create a ready-made structure for collecting fees from undergraduate students if the Government should decide to extend its policy to this level.

The Williams Committee pointed out that the highest proportions of graduate students were in agriculture, engineering, education and the natural sciences.³ Postgraduate research in agriculture, engineering and science is particularly exacting and makes heavy

demands on the students concerned. If fees are now added to the existing commitment, their deterrent effect could be considerable, especially as the problems of inflation and unemployment have made post-graduate study less attractive than it was a decade ago. The prosperity of Australia for the remainder of the century will be closely linked with the welfare of primary industry, the development of natural resources, and the ability of industry to adjust to rapid technological change. In the circumstances, to discourage graduates seeking advanced expertise in relevant areas is remarkably ill-considered. The history of the last 50 years demonstrates that losses of this kind are not easily made up. Companies engaged in resources development are reporting difficulty in recruiting specialist engineers, and are actively recruiting overseas. J. P. Cox, in a paper written for the Williams Committee, noted the likelihood of this shortfall, and the recent report of the Tertiary Education Commission comments that the demand for professional engineers, especially those with advanced qualifications, exceeds the numbers produced by the universities.⁴

The loss of graduate students will have serious effects on the level of research in the universities. Figures produced by the T.E.C. and by Project SCORE⁵ show that 40 per cent of university research is carried out by graduate students. A run-down in research within the universities will ultimately mean a decline in the quality of teaching and scholarship, particularly in smaller and more vulnerable institutions removed from the larger centres of academic activity. Such a run-down can only have a damaging effect on the cultural development of Australia, in which the universities have a particular role to play, quite apart from their function in producing graduates with specialised occupational skills. But the problem does not end there. An increasing proportion of graduate students are concerned not so much with research but with updating and extending their qualifications in a world where technological and socio-economic changes have effectively shortened the life of skills, knowledge and information obtained through a first degree. The cost of doing so will, of course, be disproportionately high for those students who have returned to university at their own initiative without institutional or corporate backing. The community will continue to make demands on the universities for the provision of new skills and the updating of existing ones. It will also continue to demand the kind of detailed and rigorous evaluation of emerging social, economic and political issues which institutions of