

SECOND READING SPEECH BY THE PRIME MINISTER (MR. MENZIES)
HOUSE OF REPRESENTATIVES

STATES GRANTS (UNIVERSITIES BILL), 1960

I. INTRODUCTORY

In April 1958, I had the privilege of presenting to the House a Bill to give effect to the proposals of the Committee on Australian Universities, which met in 1957 with Sir Keith Murray as Chairman. This Bill sought Parliamentary approval for the proposals of the Murray Committee for the triennium 1958/60.

Once again it is my pleasant lot to introduce a Bill on universities, this time to give effect to the proposals of the Australian Universities Commission for the coming triennium, 1961/63.

The Commission is the permanent successor to the Murray Committee. Honourable Members will recall that the Murray Committee recommended that the Commonwealth Government should have available to it continuous advice on the financial requirements of the universities if the universities are to develop rationally and coherently, and urged the appointment of a permanent Commission for this purpose. Parliament agreed to the establishment of the Universities Commission in 1959. The Commission consists of persons of eminence in university and business circles, and since its establishment last year it has exhaustively studied the problems of our universities and has brought forward recommendations on a wide range of matters. It has done this after taking into consideration all possible courses of action and after the fullest consultation with Commonwealth and State authorities and with all universities. The first report of the Commission, which presents the recommendations and the comments of the Commission upon present and future university problems, was tabled in the House on Thursday 10th November.

It is relevant in considering the report and the Bill to recall the functions of the Commission as defined in the Universities Commission Act of 1959. Under Clause 13 the Commission is to furnish information and advice on grants by the Commonwealth of financial assistance to universities established by the Commonwealth, and of financial assistance to the States in relation to universities, together with information and advice that is relevant to the need for financial assistance, the conditions upon which any financial assistance should be granted, and the amount and the allocation of financial assistance.

These functions are important, providing as they do for a financial future for our universities that has a great measure of stability. However, the next section, Section 14, of the Act places an obligation upon the Commission that is to my mind of even greater importance. The section states:

- (i) The Commission shall perform its functions with a view to promoting the balanced development of universities so that their resources can be used to the greatest possible advantage of Australia.
- (ii) For the purpose of the performance of its functions, the Commission shall consult with universities and with the States upon the matter on which it is empowered to furnish information and advice.

The Commission has, therefore, addressed itself in its report not only to the financial problems involved but also to the present state and the future role to be played by the institutions of this country providing services at the tertiary level of our educational system.

II. SOME MAJOR POINTS IN THE COMMISSION'S REPORT

Honourable Members have had the opportunity of studying the Commission's report. Of the many important questions raised, there are five which would seem to lay claim to special comment.

- (i) First, there is the influence of demographic factors. Chapter 2 of the Commission's report presents estimates of the likely increase in student enrolments at universities. In 1958 some 42,000 students were enrolled at universities, and universities now predict that by 1966

the number will have risen to 95,000. These figures are considerably in excess of the estimates made by the Murray Committee on the evidence then available to it. If this estimate is realised, the ratio of students enrolled at universities to the total population will be approaching one in a hundred. This, of course, has enormous consequences in terms of the pressure on facilities, demands for staff and the need for more universities and university-type institutions.

As a result of these demographic changes leading to a great bulge in the relevant age groups, there is obviously a quite explosive development taking place in universities. The achievement in recent years has been a very remarkable one, but the Commission has had to report that the changing age structure of our population and other factors have meant that, in spite of the greatly increased governmental assistance since the recommendations of the Murray Committee were accepted, many of our university facilities are still below a satisfactory standard.

After a review of the Commonwealth Scholarship Scheme, the Commission supports the need for an increase in the number of scholarships from 3,000 to 4,000 a year.

- (ii) Pressure on Staff and Facilities. Chapter 111 of the report deals with staff. In spite of very considerable staff recruitment in recent years, the number of students in relation to the number of staff is increasing and the position in Australia compares unfavourably with that in the United Kingdom. The Commission estimates that by 1966 the number of staff will need to be more than doubled to keep pace with the increased number of students. As to facilities, the Commission in Chapter 6 points out that if the enrolment demand is to be met in terms of the existing university pattern the Australian community must create in every two years the equivalent of at least one new university of 8,000 students.

The Commission has pointed out that there will not only be this tremendously increased demand for suitable academic staff but that we will have to rely largely upon our own resources to meet this demand.

It will become increasingly difficult to tap resources in overseas countries, since they themselves will be under pressure for reasons very much the same as those affecting the Australian situation. The Commission suggests some of the questions which must be considered and says - "The issues raised in these questions are of great concern to Australian universities, faced as they are with staffing problems not likely to be solved unless far-reaching changes in the form of university education and teaching methods can be achieved."

- (iii) I turn now to the financial recommendations contained in the report, and to which the Bill before the House gives effect. The Commission recommends that a total of £103m should be made available to State universities in the coming three years. This compares with a total expenditure of some £55m in the last three years. The Commission is satisfied that financial provision of this order is necessary for the balanced development of Australian universities in this period.

The Commission's report indicates that the sharp increase in expenditure required over the coming triennium is the result of several factors, notably the large increase in the number of students. The report also shows that a great deal of the increased expenditure is due to the establishment of Monash University, the extension of the universities in New South Wales and the establishment of colleges at Wollongong and Townsville. By contrast the Universities Commission proposes that the development of the well-established universities should be limited in order to keep their size within reasonable bounds and suggests for them a programme which is in effect a normal projection on previous expenditure. Taking into account the increased student population and the need for providing new facilities, it is clear, therefore, that the large upsurge in suggested expenditure is due principally to new university development of a kind which has been foreseen and recognised as inevitable for some time.

(iv) The Basis of the Proposed Financial Arrangements:

The Commission's proposals rest on the principle that the existing ratio of approximately £1.85 (State) to £1 (Commonwealth) for recurrent expenditure should be maintained and that the basis of £1 for £1 on capital expenditure should be applied uniformly as between States and as between universities. However, having in mind its obligations for influencing the balanced development of Australian universities, the Commission has examined separately the

factors which are determining the growth of each university. The University of New South Wales, the University of Queensland and the University of Western Australia are expected to experience a more rapid growth of student population than other universities. The Commission's proposals are therefore adjusted to meet the individual needs of universities in the light of the pressures upon each of them.

Another consideration in the Commission's assessment of the future situation is its belief that any university should not exceed a certain size if it is to function effectively.

The Commission has drawn particular attention to its proposals to bring the treatment of the University of New South Wales and the University of New England into line with that accorded to other universities. The ways in which its proposals differ from the pattern of previous arrangements are described in the report. The Commission also refers at various places in its report to the desirability of a greater flexibility than has previously applied in the distribution of Commonwealth financial assistance for capital projects, including expenditure on capital equipment and on residential colleges and halls of residence. I shall refer in particular to some of these matters later on when I turn to an examination of the Bill in more detail.

(v) The Problems of Universities and the Pattern of Development of Tertiary Education:

The University Commission has shown at various places in its report a full awareness of the problems of university development. In dealing with staff recruitment in Chapter 3, the Commission has expressed itself as doubtful that any answer could be found in traditional terms, and in Chapter 6 it ranges over a number of possible changes that need to be considered by Governments and universities. The Commission proposes to make a special examination in the period immediately ahead into these matters and has suggested that it may seek to establish an advisory committee to assist it in its enquiries.

III. IMPLICATIONS OF THE UNIVERSITIES COMMISSION'S PROPOSALS FOR GOVERNMENTS AND UNIVERSITIES

(i) COMMONWEALTH GOVERNMENT

The Commonwealth Government has examined the report and is prepared to accept its recommendations in general. The Bill now before the House indicates its acceptance of the many financial recommendations for State Universities.

This is not to say that the Commonwealth accepts every statement in the report, some of which will no doubt also be discussed inside and outside this Parliament. But by and large the Government feels that the Commission's analysis of the situation and its proposals are receiving a large degree of acceptance in Commonwealth and State Government circles, among the universities and by the community in general. The Bill for increased expenditure is, of course, a very large one, and meeting it, having in mind also what lies ahead after this triennium, raises many problems in our minds.

After carefully studying the report of the Commission, the Government has taken the view, which it believes the Commission holds also, that unless there is early and substantial modification of the university pattern, away from the traditional 19th century model on which it is now based, it may not be practicable for Australian Governments to meet all the needs for university education in Australia, and at the same time to achieve the best use of resources in the national interest. We think, therefore, that the development of alternative kinds of tertiary education is likely to be of the greatest importance. In view, also, of the difficulties which may be encountered in finding sufficient staff for tertiary educational needs and for developing the facilities in time, the situation may well call for extensive re-organisation within the universities. The Commission's report has referred to some of the possible ways of doing this. As the Commission points out, other countries are facing similar problems and are finding that new and unusual methods for solving them are becoming necessary. In the period ahead thought may well have to be given to re-arrangement of the university working year, re-arrangements to produce a greater use of existing facilities within the university, to standards of teaching staff and the most effective employment of our university teaching resources. Building programmes of universities will need to be kept under very close scrutiny in order to ensure that they are sufficiently restrained as to economy and directly related to need.

The Government therefore welcomes the proposal of the Commission

to undertake an early examination of these matters and has informed the Commission that it regards this examination as a task of the most vital importance during the next 12 to 18 months. To assist the Commission directly in its task the Government has agreed with the suggestion of the Commission that it might establish an advisory committee. No doubt the Commission will pursue its investigation in close co-operation with Governmental authorities both State and Commonwealth and with universities, and I have informed the States that the Commission will be looking to them for co-operation and assistance.

(ii) STATES

I have sent copies of the report to the Premiers, and informed them of the Commonwealth views on it.

Of course we fully recognise and respect the prime responsibility which the States have for determining the rate of development of their universities. As we see the role of the Universities Commission, it is a source of advice - and of advice only - to Commonwealth and State Governments and to universities. Its authority lies not in coercion but in persuasion. Under the Commission's proposals it is the States who determine what the level of expenditure should be on both capital and recurrent sides. On the capital side the basis proposed is a £1 for £1, and on the recurrent side it is perhaps worth noting that the proposed first level grants are no greater than the level of actual expenditure upon recurrent needs in 1960 and the States should not therefore encounter any difficulty in attracting the maximum first level Commonwealth grant, as they will get it by merely continuing to support universities as they did in 1960.

It is of course quite open to the States and the universities to hold opinions differing from those of the Universities Commission on the rate of development which is desirable and practicable.

(iii) UNIVERSITIES

The achievement in university development, especially since the acceptance of the recommendations of the Murray Committee has been spectacular, but the problems which lie ahead are obviously even greater. We feel that they cannot simply be solved by providing money and that universities must critically examine their procedures and problems in order to ensure that the funds which are provided are used as effectively and as economically as possible. Quite apart from the question of developing alternative institutions there are many matters which lie within the province of universities. I have already mentioned a number of these - building programmes, recruitment of staff and possible forms of internal re-organisation. We recognise the great problems which universities face in coping with the large increase in student numbers. Nevertheless universities must continue

to set as their aims the improvement in teaching and student achievement; better training for research workers, significant research contributions in widening fields of study, and intellectual leadership in the community.

(iv) THE COMMUNITY AS A WHOLE

The Commission's report points out that the Australian community has always regarded higher education as a right open to all young people of ability, rather than as a privilege of wealth or class. In this connection, the Commission raises a very real problem - whether the community of itself realises the magnitude of its educational responsibilities if this aspiration is to be achieved.

It is a regrettable feature of the present times that universities like many other institutions must depend most heavily upon the Governments for their finances. This, no doubt, is an inevitable trend arising to a great extent from the very high costs of tertiary education to-day. Nevertheless, private benefactions will, I hope, always be a feature of our universities, and in recent years there have been some notable contributions in this direction:- more is needed.

IV. OTHER MATTERS

In accepting the recommendations of the Commission in general the Government has agreed to proposals which do not need to be embodied in the Bill now before the House. These include the recommendation of the Commission on Commonwealth scholarships.

In the case of the Australian National University the financial responsibility, of course, rests entirely upon the Commonwealth. The rate of development of the Australian National University must be related in some degree to the development of Canberra. The Government has accepted in principle the recommendations of the Commission as to the A.N.U., but the proposals will need to be the subject of further careful investigation, especially on timing, before they are put into effect. Meanwhile, it is proposed to take immediate action to begin the construction of the Chemistry School building for the School of General Studies at the A.N.U.

V. MAIN PROVISIONS OF THE BILL

In the main, the Bill before the House establishes Commonwealth-State financial machinery whereby the recommendations of the Commission may be put into effect. The Bill contains a number of features not present in its predecessor, the 1958 Act. There is, for instance, no provision in this Bill for emergency grants, since those in effect have been absorbed into the general grants for recurrent expenditure which the Bill makes provision for in a number of schedules.

The Bill adds a new concept to the existing definition of university purposes. In order that the Commission may be able to provide for the staff at a new university, such as Monash, the Bill makes possible payment of recurrent grants to a university which may of necessity appoint its staff for planning purposes, but which is not in effect offering a teaching or research service.

The Bill goes on to establish machinery provisions and at Section 6 gives the basis on which the salary element in recurrent grants has been calculated for the purposes of Commonwealth financial assistance. It states that the schedules have been based on a basic professorial salary at the rate of £4,000 per annum, which was the salary applying in a majority of Australian universities on the date the Commission reported. The Bill goes on to provide that the Minister may by an instrument under his hand approve an increased rate of professorial salary for the purpose of Commonwealth assistance. A copy of any such instrument will be sent to the Premier of each State affected by the instrument and will be laid before this House. The Bill provides that if a University pays basic professorial salaries in excess of this level the Commonwealth shall not be responsible for the increased costs involved. I must stress at this point that the Commonwealth has neither the desire nor an intention to fix professorial salaries. Any State Government is completely free to support whatever salaries it deems appropriate in the Universities of that State.

As far as grants for the purposes of capital works within the universities are concerned, the Bill in general carries on the arrangements which have proved so successful in the last triennium. There is, however,

a departure in Section 8 of the Bill, which puts into effect the recommendations of the Universities Commission as they relate to special grants for equipment. In summary form the Commonwealth will make available £250,000 on a pound for pound basis with the States for the purchase of special equipment, and is prepared to see this sum disbursed in the proportions given in the Third Schedule to the Act. Under this Bill the Commonwealth will make available a further £250,000 on a pound for pound basis which will be disbursed on the advice of the Commission and therefore not necessarily in the same proportions as the first £250,000. The purpose is to allow flexibility so that the Commission may, with the co-operation of the States, assist with the purchase of special equipment for research and other purposes.

The Bill provides grants to affiliated residential colleges under two headings. It incorporates a formula which will enable assistance to be given to residential colleges for recurrent expenditure, including tutorial assistance, in accordance with the number of students receiving services such as these from the college. It also provides that buildings for residential college purposes may be assisted on a pound for pound basis. It is the hope of the Commission and the hope of the Government that these forms of assistance will give the present residential colleges and those to come a greater opportunity for giving a service to the students within the universities. Assistance is also proposed in the Bill for halls of residence administered by the universities.

VI. CONCLUSIONS

The Bill before the House carries on and develops the work which the 1958 Act initiated. It is based on the firm belief that the development of our intellectual power and knowledge is vital to our future. We are a small nation of ten million people and we cannot escape meeting the rest of the world in competition. I am not willing to sit back and see Australia lag behind by omission. We must match the world in scholarship, in technology and trade. Our efforts are not without great merit. If it were not for the financial backing which we and the States have provided there would not be a Monash University or a University of New South Wales, and other university institutions would be in a deplorable condition. The programme is a large one. The expenditure involved is largely inescapable. However, it is not merely money involved but a question of national responsibility. Because of this the whole situation calls for continuing and special examination by all Governments and all universities and by the community in general.