

STATES GRANTS (UNIVERSITIES) BILL, 1962SECOND READING SPEECH BY THE PRIME MINISTER (RT. HON. R.G. MENZIES)
IN THE HOUSE OF REPRESENTATIVES
3RD MAY, 1962

This is a bill to make grants to the States for universities purposes. This is not the first bill of its kind, of course, nor do I suppose that it will be the last. It falls into two parts. In one part it deals with the recurrent grants to the universities under what I will call the normal pattern; in the second part it directs itself to the problem of teaching hospitals attached to universities. Those are two different matters. One is old, but is being adjusted. The other is new. So far as the old is concerned, many honourable members will recall that, under the States Grants (Universities) Act of 1960, which is the principal act for this purpose, provision was made in section 6 (1) that the rate of basic professorial remuneration - that is the approved rate for the purposes of financial assistance under this part - is £4,000 per annum, being the rate that was on 25th October, 1960, the rate applicable in a majority of the universities in Australia.

That was not a provision which fixed professorial salaries at £4,000 per annum. It was a provision which treated £4,000 as the average figure on which the Commonwealth grant should be based. I want to make that quite clear. We are not presuming to determine what State universities shall pay to their own academic staffs; but, obviously, for the purposes of calculating what ought to be granted to the States under our broad scheme we must have some figure as a point of reference in relation to professorial salaries, the others being presumed to be in a certain relationship to them. Therefore, in the 1960 act, we named £4,000 and then, because at that time the whole of the salary structure was in a state of flux and there were different rules applied in different States, we added a provision in section 6 sub-section (2) which enabled the Minister by an instrument under his hand, to alter that figure and therefore vary the grant.

On the whole, we think that sub-section (2) is not a good thing. I think that honourable members generally would agree that if there is to be a change in one of the basic items in the calculation of a State grant the House ought to have an opportunity to look at it first, and therefore I have decided that this sub-section ought to go and that in future, if there is any change in the point of reference, as I have described it, it ought to be done by a measure brought into this House, one which can be discussed in this House.

So what we are proposing here is to alter the provision contained in section 6 (1) and to repeal section 6 (2) so there will not be any administrative decision on this matter, but a statutory one. The alteration in section 6 (1), having regard to what a special committee recommended to the Australian Universities Commission after wide consultation, is to increase the point of reference for the calculation of the recurrent grants from £4,000 to £4,250. That does not mean - and I repeat this - that that is the salary for a university professor; but it does mean that that is the figure upon which we calculate what we are going to pay to the States in relation to their universities for the current period.

Mr. Crean - You do not look at either a maximum or a minimum.

MR. MENZIES - No. I am glad to be reminded of this. The committee that reported on this matter thought that perhaps the universities should adopt a range of professorial salaries and suggested, in fact, that it ought to run, according to their judgment and according to the faculty concerned, between £4,000 and £4,500. But that was merely a recommendation of the committee.

Mr. Crean - Without having low-grade or high-grade professors?

MR. MENZIES - Quite so. We are not putting ourselves in the position of determining what the pay ought to be in the case of the various universities. They are not within our jurisdiction. However, we do feel, having regard to the general movement, that it would be wise to make an adjustment at this stage and date it back to the beginning of the triennium - because these things are done on a three-years basis - altering the point of reference for salaries for this purpose from £4,000 to £4,250. I think that that is all I need to say about that. The schedule to the bill shows what the provisions will be, having regard to this adjustment in regard to salaries.

The second thing that this bill does is to take up and deal with, for the first time, the problem of the teaching hospitals. This is a matter which has been put to me - and to many of us, no doubt - on a number of occasions. There are universities which have hospitals in which they provide clinical instruction for their medical students in their senior year, and those hospitals are staffed very frequently by men of great distinction, very many of them in honorary positions, who are giving instruction which is vital for the complete education of medical students. It has been said for many years, I think with a good deal of truth, that if we are dealing with the universities problem we ought to provide for instruction in the teaching hospitals, because this is properly part of the work of the universities. And in order to get a pretty clear mind on this thing, if we could, I had discussions with the Chairman of the Universities Commission and we established a very powerful sub-committee to advise on the problem of teaching hospitals. The sub-committee contained outside people, medical men of great distinction and academic people of note. It made an examination and finally made to the Universities Commission a report which I have seen and which - I may say this to the honourable member for Melbourne Ports (Mr. Crean) - I hope I will be able to have printed in adequate time before he has to resume the second-reading debate. The report is not actually ready at the moment. There are one or two difficulties about it, which I will mention.

The sub-committee, when it got to work on this problem, found, of course, that it had to divide the matter into two parts. One was the capital expenditure that would be required if the Commonwealth, making its £1 for £1 grant to the States, was going to take on that proportion of the responsibility for capital equipment needed for this extended university function in a teaching hospital.

Honourable members will see particularized in the schedule to bill the items that are involved under that heading. We propose in this to adopt that portion of the sub-committee's recommendations and to provide on a £1 for £1 basis the money required to carry out the capital programme that the members have in mind - a very substantial one, but a very important one. Honourable members may ask themselves, as indeed I did when I read this report, how it comes about that so much capital expenditure needs to be made at this stage to equip teaching hospitals for their work. The answer to that query is that medical science changes year by year. New methods are devised and new forms of equipment are needed.

Incidentally, when a new university is set up you can get most acute problems. To give an example, I take my own State, which I know best. In Victoria in the past the University of Melbourne conducted its medical school operations in at least two hospitals, the Royal Melbourne Hospital and the Alfred Hospital. In each of them clinical classes were conducted and in each of them the instructors did their work. A new university - the Monash University - has been established and it is to have a medical school.

If it is to have a medical school which is to be effective it must have a hospital in which its senior medical students can do their clinical work and receive their clinical instruction.

The result will be that, whereas in the past the University of Melbourne has had access to the teaching hospitals within its own area, in the future, when Monash is completely established, these will have to be divided. The Royal Melbourne Hospital, for example, will remain with the University of Melbourne and the Alfred Hospital will go to the Monash University.

I do not need to tell honourable members that when that kind of thing happens you cannot throw up new hospitals overnight. The fact is that to accommodate in one of these hospitals more students than it has ever had to deal with before, because of the demands of other universities, you will need to establish new buildings, new equipment and new matters that are required for the teaching of perhaps twice as many students in the hospital as were taught before. If honourable members will be good enough to run their eyes over the schedule to the bill they will see the nature of the things which are involved.

Mr. Crean - I do not know whether your schedule is the same as mine, but mine has not pages 9 and 10. It goes straight from page 8 to page 11.

MR. MENZIES - Oh dear! Do not blame me for that. I will look at the one I have been working on. It is marked "Confidential", so perhaps I have been given something different. What pages are you lacking?

Mr. Crean - Pages 9 and 10.

MR. MENZIES - They are in my confidential draft. There has been some discrimination here in favour of fellows on the Government side. I am sorry about that. We will see that you get a proper copy.

Mr. Crean - Thank you. I have now been given an adjusted copy.

MR. MENZIES - That is a comfort. I would have hated to think there was some discrimination against you.

Coming to the capital side, all I want to say is that honourable members will agree that the great movement in assistance to university training would not have been complete unless we had decided to take a move forward into this extra provision for teaching hospitals run in association with the universities. On the other point, recurrent expenditure, a report was made. It is frightfully difficult to determine, as members will understand, how to divide up the recurrent expenditure in hospitals between teaching and ordinary hospitalization. What percentage of the time of the nurses is to be regarded as attributable to teaching and clinical instruction? How much would be attributable to the normal conduct of the business of the hospital and so on? I want to say quite frankly that we are at the moment not entirely satisfied with that branch of the report that was made.

I have had a conference - of a very friendly kind, I hasten to say - with the chairman of the Universities Commission and with the very distinguished Professor Sutherland, from Melbourne, who was a member of this committee, and the Treasury. At this moment work is being done by the officials of the Treasury, my officials and representatives of the Universities Commission to see whether such points of difference as arise in relation to recurrent items can be worked out and accommodated.

That is not a matter of urgency, although we do not propose to delay it. The urgent matter is the provision of the capital equipment, and therefore I thought it would be wise to get on with the thing that was urgent and not to hold it up until the next sittings of Parliament, when we would have the recurrent problem worked out.

I will, in the spring session, if I survive so long, present a second measure dealing with recurrent expenditure attributable to the medical schools. I was going to say that I am full of hope on that matter, but perhaps that is an entirely unnecessary remark to make.
