



Seven Key Turning Points in Australian Higher Education Policy 1943 - 1999

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ABSTRACT No one would question that there have been changes in the Australian federal government's understanding of the value and function of higher education since 1943 when the Curtin government first moved to provide financial support for tertiary education as part of a comprehensive post-war reconstruction package. However, the ways in which successive governments have perceived the value of education, and then translated their values into policy, and the effects of these policy values on the attitudes and expectations of young adults approaching the transition from secondary to tertiary education, have not been examined in detail. My research is intended to remedy this omission.

This paper, which provides a context for my research into student values and attitudes, outlines seven distinct phases or eras in federal government policy from 1943 until the end of the Howard government's first term in office in 1999. Each of these originates in a clearly defined change, or turning point, in the dominant political discourse about the nature and value of university education. In summary, these are:

1. 1943 to 1949 - the Curtin and Chifley governments regard university education as crucial aspect of post-war reconstruction and national development;
2. 1949 to 1972 - the Menzies government, and subsequent Liberal governments, promote growth of the university sector as a means of personal advancement within the expanding economy;
3. 1972 to 1975 - the Whitlam government interprets university education as a force for social transformation;
4. 1975 to 1983 - a partial return to an elite view of university education; and the promotion of the TAFE sector as a source of skilled workers;
5. 1983 to 1987 - the Hawke government adopts a compromise position encouraging limited growth and promoting equity while rejecting the transformative nature of Whitlam's model;
6. 1987 to 1996 - the Hawke/Keating government embraces the view that university education is an integral part of the economy, and that a degree is a consumer benefit for which the individual should pay. The trend towards user-pays continues following the election of a Liberal government led by Prime Minister John Howard;
7. 1996 - Prime Minister Howard appoints David Kemp as Minister for Education precipitating a series of changes to higher education policy that intensify the economic rationalist approach to university education.

INTRODUCTION

The period from 1943 to the mid-eighties also saw a gradual conversion of most Western nations from support for government regulation of the economy and many

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aspects of public and private life, to belief in 'small government' that provides only the most basic of services.¹ Since the 1970s, both major Australian parties have been increasingly influenced by this political philosophy, described variously as monetarist, economically rationalist, neo-classical or New Right. The general effect has been a reduction in social welfare programs, the privatisation of many services previously provided by government departments and a determination to make the remaining government departments function like private companies. One particular effect has been an attempt to create a university system that reflects this generalised paradigm shift in Australian social and cultural values and that supports the production of a new kind of graduate, 'an economic citizen that was better attuned to the requirements of an enterprise culture'².

If this transformation has been successful, then the present cohort of seventeen and eighteen year olds should be composed of proto-economic citizens who will select the course in which they enrol, and the institution, on the basis of the maximum individual return for their investment. The next phase of my research will use surveys and interviews to explore the extent to which the rationalist, instrumentalist view of higher education espoused by the successive Commonwealth Governments has been accepted and internalised by prospective university students currently attending secondary school. Additional surveys of their teachers will attempt to determine if there is evidence of a generational change in attitudes to higher education.

1943 The First Turning Point – a matter of national interest.

Until the Second World War the federal government played a very minor role in education of any type and its role in tertiary education was negligible. Commonwealth Governments of all persuasions had been reticent, if not hostile, to the idea of involving themselves in educational matters during the first forty years following Federation.

The Second World War altered this situation irrevocably. It not only revealed manpower shortages in many crucial areas such as chemical engineering, but it transformed public opinion about the value of scientific research. The war brought the government and the universities into close contact as they strove to solve war-time problems. Consequently, the government saw the need for investment in scientific and technical research and education.³ The war also reanimated the old desire of many Labor parliamentarians to alter the balance of power between the

¹ D. Yergin. and J. Stanislaus. (1998) *The Commanding Heights*. Simon & Schuster. New York. pp 9 - 13

² S. Marginson. (1997) *Educating Australia. Government, Economy and Citizen Since 1960*. Cambridge University Press. Oakleigh. p 154.

³ Susan Davies. (1989) *The Martin Committee and the Binary Policy of Higher Education in Australia*. Ashwood House. Melbourne. p 7



commonwealth and state governments in favour of the commonwealth. Australia faced danger as a single nation and it seemed appropriate that central government should assume responsibility for national development. During the state of emergency it was reasonable for the Commonwealth Government to provide funds for 'strategic studies' under the defence power and national security regulations.⁴ The Curtin Government justified its actions by arguing that it had to strengthen the Australian defence forces, but the Labor Government's real plan was much larger. For the first time Australian Commonwealth Government was prepared to argue that education was a matter of national, rather than regional, interest.

The magnitude of the change in attitude to higher education that took place during the war years is highlighted by an exchange on 26 July 1945 between the Leader of the Opposition, Robert Menzies, and J. J. Dedman, the Minister for War Organisation of Industry. Menzies moved that the House of Representatives express the opinion that 'a revised and extended educational system is of prime importance in post-war reconstruction'.⁵ In response, Dedman asserted that the government was already well aware of the importance of education and went on to list some of the government's achievements and expenditure on various matters. Dedman also foreshadowed the creation of the Commonwealth Office of Education. He was quick to point out that the Commonwealth was not attempting to take over responsibility for education, and went on to explain that the new body was to be modelled on the Agriculture Board that acknowledged the Commonwealth Government as an equal partner of the states. What became abundantly clear as a result of this debate, and the one which followed some two months later was that the relationship between the Commonwealth Government and education would not be permitted to return to its pre-war condition whichever party held government.

A more or less coherent education policy swiftly emerged. In 1943 the Curtin government created the Universities Commission and appointed a committee of inquiry – the Walker Committee – to review the Commonwealth's responsibilities in education with a view to extending its influence.⁶ The inquiry's main recommendations were incorporated into the Education Act (1945), which also provided for the establishment of a Commonwealth Office of Education. Next, the Australian University Act (1946) provided post-graduate students with the opportunity to further their education without the necessity of leaving Australia. To put its constitutional power to make laws supporting university students beyond dispute the government included 'benefits to students' among the other social services mentioned in the 1946 referendum. In the immediate post-war period the Commonwealth

⁴ Derrick Tomlinson. (1979) "The Shift in Financial Responsibility for Higher Education." in *Federal Intervention in Australian Education. Past, Present and Future*. G. Harman & D. Smart. Georgian House. Melbourne. p 67

⁵ *Commonwealth Parliamentary Debates. House of Representatives*. 26 July 1945. pp 4616 - 4617

⁶ I. K. F. Birch. (1975) "Commonwealth Participation in Education, 1901 - 1964." in *Constitutional Responsibility for Education in Australia*. Australian National University Press. Canberra. pp 18 - 19



Reconstruction Training Scheme provided capital and recurrent funds to universities to enable them to enrol hundreds of demobilised defence personnel that it was hoped would hasten post-war development. Even Curtin's death could not slow the momentum. Enrolments more than doubled immediately after the war, rising to almost 32, 000 in 1948.⁷ The Chifley Government continued the new pattern of involvement by approving 3000 university scholarships, in September 1949, to veterans and other able students who wished to undertake studies in fields deemed to be relevant to reconstruction.⁸ Ten thousand scholarships for secondary education were intended to follow. Shortly before the 1949 election Prime Minister Chifley articulated his party's motives:

I try to think of the Labor movement not as putting an extra sixpence in somebody's pocket, or making somebody Prime Minister or Premier, but as a movement bringing something better to the people; better standards of living, greater happiness to the mass of the people. We have one great objective – the light on the hill – which we aim to reach by working for the betterment of mankind, not only here but anywhere we may give a helping hand.⁹

Faced with rising enrolments, and inadequate resources, the Vice-Chancellors appealed to the government for assistance in 1949. One of the last acts of the Chifley Government before its defeat was to respond to this plea by inviting Professor R. C. Mills, Professor of Economics at the University of Sydney, and Chairman of the Universities Commission, to investigate the financial and other requirements of the universities.¹⁰

1949 The Second Turning Point – rising expectations.

The shift in the direction of higher education policy was scarcely perceptible during the first few months after the Liberal Party was elected in December 1949. Prime Minister Robert Menzies continued many of the programs initiated by the previous government, including the university scholarships, although he declined to fund the secondary ones.¹¹ He did not abandon the Mills inquiry, but redefined the committee's terms of reference and added his own nominee. Consequently, in 1951 Menzies presented the States Grants (Universities) Bill to parliament. This bill ratified existing Commonwealth grants, and at the same time, introduced a new procedure that

⁷ P. Coaldrake & L. Stedman, (1998) *On the Brink: Australia's universities confronting their future*. University of Queensland Press. St Lucia. p12

⁸ E. G. Whitlam. (1985) *The Whitlam Government 1972 - 1975*. Viking Ringwood. p 292

⁹ J. B. Chifley quoted in A. A. Calwell. (1965) *Labor's Role in Modern Society*. Cheshire Lansdowne. Melbourne. p 52

¹⁰ DEET (1993) *National Report on Australia's Higher Education Sector*. Australian Government Publishing Service. p 8

¹¹ E. G. Whitlam. (1985) op. cit. p 292.



Menzies himself described as revolutionary, the provision of grants to the states to assist the universities under Section 96 of the Commonwealth Constitution.¹² Menzies declined to provide financial support for the expansion and improvement of the public education system since that was clearly a state matter, but he was willing to make funding available to the universities because he believed that they had a major role to play in providing the administrative and professional class necessary to govern the nation, and because he understood the mood of the electorate at the time.

Menzies' decision to fund the universities despite his apparent respect for the states' jurisdiction over education, and over the objections of some of his own colleagues, is understandable given the state of Australian society at the time. In 1950 Australia was on the brink of a period of rapid social change resulting from the upheavals caused by the recent war. Many of the changes that occurred affected the middle class more dramatically than any other part of society. Throughout the fifties the middle class expanded with the development of secondary and tertiary industry including corporate and government bureaucracies. Success was understood largely in material terms. Many newly affluent families viewed the opportunity to study at university as another way of improving their children's career prospects, rather than a means of developing a cultured personality through participation in an intellectual community as may have been the case among the established wealthy class a generation earlier.

Much of Menzies' attitude to university education grew out of his own personal experience. It is undeniable that Menzies' desire to enter university was prompted by his wish to become lawyer; however, speeches and writings from his years as an undergraduate at the University of Melbourne express his belief that a university education was necessary also a process of personal transformation necessary for the formation of a gentleman.¹³ The best insight into his attitudes at this time comes from the editorials he wrote for Melbourne University Magazine, in particular "The Place of the University in the Life of the State."¹⁴ Most of Menzies' editorials and articles were serious in tone and content, often referring to the duty of university men to use their talent and opportunities to serve society. Education was a 'refining and purifying process', but implicit in his writing is the conviction that higher education is only for the select few; that different classes of people require different types of education, and benefit from it in different ways.¹⁵ Menzies did not believe that university education should be reserved for the rich; probably reflecting his own rather humble origins, but he did believe that it should be open only to deserving students, like himself, who had the intellect and self-discipline to make use of it. Also implicit in his writings from this period is the belief that education was primarily for the benefit of the individual,

¹² Bob Bessant. (1977) "Robert Gordon Menzies and Education in Australia." *Melbourne Studies in Education* 1977. pp 91 - 92.

¹³ Cameron Hazelhurst (1979) *Menzies Observed*. George Allan and Unwin. Sydney. pp 22 - 23

¹⁴ R. G. Menzies. (1916) "The Place of the University in the Life of the State." Melbourne University Magazine. Vol X, No 2. August 1916

¹⁵ A. W. Martin. *Robert Menzies A Life. Vol 1; 1894 - 1943*. Melbourne University Press. p 22



although there was an indirect benefit to the community. In an address that he gave at Canberra University College in 1939 he outlined what he regarded as the seven ideals of a true university, and listed them in order of importance. First the university was to be a home of pure culture and learning, 'one of those civilized and civilizing things' the world needs as never before. Scholarship was valuable because it 'develops the humane and imperishable elements in man'. The university was a place with a sense of real values that would be available to its students. The university was a training school for the professions, and a training ground for future leaders. The university was to provide a home for research, not just because of the outcomes such research might produce, but because research was linked to the training of character. Menzies believed that every university-educated man should leave with the intellectual stamp of the university on him, concerned to do his part to enrich the whole community. Finally the university was the custodian of mental liberty, and as such linked closely to the other cultural institutions, the British parliamentary system and the British legal system.¹⁶ In one speech Menzies asserted that the 'failure of the human spirit' was one of the chief causes of war, and that this failure was brought about by the decline in classical education that freed the mind from ignorance and formed the character.¹⁷

The provision of commonwealth funding in 1951 had alleviated the worst effects of the financial difficulties facing Australian universities, but it was only a short-term solution. In 1952 the Vice-Chancellors had again sought commonwealth help, and by the mid-fifties it was again apparent that something would need to be done. By this time Australia's economic recovery had progressed to a point where money was available for a coherent, long-term solution to the problem of university finance. Consequently Menzies invited Sir Keith Murray, Chair of the British Universities Grants Committee, whom he met during his 1956 visit to England, to chair a committee in inquiry and to prepare a report on the state of Australia's universities.¹⁸ Released in 1957, the Murray Report found that 'Australian universities were short-staffed, poorly housed and equipped, with high student failure rates, and weak honours and post-graduate schools'.¹⁹ The chief cause of their poverty was the states' inability to adequately finance the university sector. Menzies described the presentation of the report to parliament as a 'rather special night' and spoke of his 'official and personal pleasure' in receiving it. Clearly, he regarded it as one of the outstanding achievements of his career.²⁰

Following the report, funding for new growth was made available by the state governments, with increased support from the commonwealth. It seemed as if the

¹⁶ R.G. Menzies. (1939) *The Place of a University in the Modern Community*. Melbourne. pp 11 - 12

¹⁷ Commonwealth Parliamentary Debates, House of Representatives. 26 July 1945. pp 4616 - 4617

¹⁸ DEET (1993) *National Report on Australia's Higher Education Sector*. Australian Government Publishing Service. pp 8 - 9

¹⁹ Susan Davies. (1989) op. cit. p 13

²⁰ B. Bessant. (1977) op. cit. p 75



universities might go on growing indefinitely to provide sufficient places to satisfy steadily increasing demand. In 1958, 1959 and 1960 the annual increase in enrolments exceeded 13 per cent. Throughout the fifties and sixties several new universities were established in Victoria, New South Wales, Queensland and South Australia by converting university colleges into autonomous universities or building new campuses, and pressure for further commonwealth support was mounting.²¹ Despite Menzies' resistance to further involvement, the level of commonwealth support for all forms of education increased. More than a decade of continuing prosperity meant that a greater proportion of middle class families were willing and able to support a child at university in the expectation that it would lead to improved career prospects and upward social mobility.

During the same period the economics of education emerged as a popular study worldwide. Economic theory was extrapolated into a conviction that improving the educational standards of the entire population would automatically improve the productivity of the nation. Following this line of reasoning the purpose of university education was to serve the meritocracy and the economic interests of the nation.²²

The mining boom that began in 1963 strengthened the connection between economics and higher education. As the number of skilled personnel, in particular engineers and metallurgists employed by the mining and manufacturing companies increased, the demand for places at university escalated. Most tertiary institutions were not able to keep pace with demand and the situation was rapidly approaching a crisis.²³ Business, industry and the government could not avoid the conclusion that tertiary education had a vital role to play in Australia's economic development of the nation.

The commissioning of a new report into tertiary education in the 1960s, and the creation of the binary system of education were significant and far-reaching developments, but were not the product of a change in the government's understanding of the value of university education. In fact the decision to establish a binary system of universities and colleges was an endorsement of Prime Minister Menzies support for the traditional role of a university.

As Menzies saw it there were several major problems to be dealt with in relation to the expansion of tertiary education in Australia. Universities were expensive. Business, commerce and industry all needed more qualified professionals, but the tendency of students to specialise in a particular field of study early in their studies meant that the broad liberal education he valued was being undermined. There was

²¹ DEET (1993) *National Report on Australia's Higher Education Sector*. Australian Government Publishing Service. p 10

²² W. F. Connell. (1993) *Reshaping Australian Education 1960 - 1985*. ACER. pp 67 - 68

²³ E. L. Wheelwright. (1965) *Higher Education in Australia*. Cheshire. Melbourne. pp xvii - xviii.



also a real possibility that in their haste to graduate more students the universities might lower their standards and destroy the university as a place of intellectual excellence. Many academics worried that the universities were in danger of losing touch with their fundamental, traditional role of providing a liberal education, and of losing their autonomy. There was a real concern that the universities were being debased, turned into 'service stations' for governments by the need to produce more graduates, more trained professionals.²⁴ Debate about the purpose and direction of education, and of university education in particular, continued throughout the early sixties under the influence of overseas developments in educational research, and in response to increasing levels of government involvement in policy making which accompanied government funding.

Menzies genuinely dreaded the creation of what he called 'second-rate homes of learning'.²⁵ His personal feelings about the value and role of university education and his admiration for the elite British traditions, help to explain why he also reluctant to consider the American model of mass tertiary education institutions. He was not alone in this respect; as early as 1950 some academics foresaw difficulties ahead if the trend towards mass enrolments were to continue. At the same time, Menzies was wary of spending the vast sums of commonwealth money needed to provide high quality university education to thousands of prospective students when many of his colleagues still regarded education as a state matter.

Faced with these conflicting issues Menzies set up a new inquiry into tertiary education, led by the Chairman of the Universities Commission, Sir Leslie Martin. Martin was a traditionalist. Menzies chose him precisely because of his conservative interpretation of the purpose of a university. He had also given the vice-chancellors the impression that he, and the Universities' Commission, were actively working to expand the university sector.²⁶

Menzies reacted angrily to the commission's interim report in June 1960. He had chosen a conservative, Anglophile academic to lead it in the belief that he would shape the universities along the lines that he himself valued, but Martin's proposals would increase the number of universities dramatically and at great cost. Publicly he expressed support for the chairman, but qualified this by saying that his government did not accept 'every statement in the report'²⁷. He also stressed the advisory nature of the commission's report, commenting that each university would need to make its own decisions, based on its own circumstances. In truth, 1960 - 61 were financially difficult years and Menzies, and his Cabinet, regarded the suggested increase as

²⁴ E. L. Wheelwright (1965) *ibid.* p xvii.

²⁵ Australian Vice-Chancellor's Committee. Federal Council of University Staff Associations Conference on Australian Universities 1961. Sydney, quoted in B. Bessant, (1977) *op. cit.* p 91

²⁶ S. Davies. *op. cit.* p 18

²⁷ *Commonwealth Parliamentary Debates. House of Representatives. Vol 26.* p 570.



quite excessive. The government had been under intense pressure to act on the problems facing the universities, but Menzies was aware that it could be electorally damaging to spend a very large sum of money on something that most voters would not use. He made it clear that while his government would do its best to honour the commission's agreements there would be no further large injections of funds and that the universities would need to make good use of the money they received.²⁸

Menzies let Martin know that his original proposals could not be allowed to proceed. If large numbers of Australians were to embark on higher education then it would be outside the universities. Martin did not believe that existing technical and teachers' colleges could be used for this purpose and he realised that a new solution would have to be found.²⁹ Following the brief given to him, Martin investigated ways of meeting unmet demand for further education, but the inquiry did not question the philosophical assumptions underpinning the way in which Australian universities were organised and financed, or speculate if American-style 'multi-versities' might not be more suited to Australia's needs.

The final report presented to parliament in 1965 by the Martin Committee upheld the view that tertiary education should be available to all who have the capacity to undertake it. However, it also concluded that expanding existing forms of tertiary education was not an appropriate response to current needs because the variety of tertiary education needed and a range of abilities that must be catered for was too broad to be provided by universities alone.³⁰ The report's principal recommendation was that three distinct categories of tertiary institution be developed - universities, colleges or institutes and teacher training facilities. A range of institutions offering a range of courses would be developed rather than attempting to 'force all students into the same sort of mould'.³¹ In this way the distinctive, elite nature of university education - higher education - could be preserved, while the needs of business and industry could also be met, through a different type of education - further education - in a different type of institution.

When it received the report, the Commonwealth Government rejected the recommendation to include teacher training boards among its responsibilities, and the proposal to establish an Australian Tertiary Education Commission responsible for all forms of tertiary education.³² However, it did agree to support Martin's proposal to establish non-university tertiary institutions that were to be known as Colleges of Advanced Education (CAEs).³³ New CAEs would be built, but any

²⁸ S. Davies. op. cit. pp 21 - 30

²⁹ S. Davies. *ibid.* p 32

³⁰ *Tertiary Education in Australia. Report of the Committee on the Future of Tertiary education in Australia to the Australian Universities Commission.* Government Printer. Canberra. Section 6.60

³¹ S. Encel. (1965) "The Social Role of Higher Education." in E. L. Wheelwright. *Higher Education in Australia.* Cheshire. Melbourne. p 27

³² W. F. Connell. (1993) op. cit. p 373

³³ I. Wark. "Colleges of Advanced Education and the Commission on Advanced Education." in I.K.F.



existing college - other than teachers' colleges - might be eligible for support under the terms of reference given to the newly formed Commonwealth Advisory Committee on Advanced Education.

A two-tier, or binary, system of tertiary education as proposed in the Martin Report, would provide a larger, improved and more diversified higher education sector. Expansion was necessary, but it must be controlled:

*An uncontrolled expansion could lead to the situation, as in the United States, where many universities had deviated radically from these traditions. He realized that there could be no longer any justification for an elite based on privilege alone having a virtual monopoly of university places. The elite had to be expanded, but he was determined this would be done within predetermined limits.*³⁴

Creation of the CAEs also recognised that many universities were reluctant to broaden their traditional offerings, and that universities were unlikely to offer the wide range of vocational training required by Australian commerce and industry.³⁵

At the time the CAEs were created in Australia it would have been possible to find similar courses being offered in many North American and European universities. Multi - tiered systems, like the one proposed in the Martin Report, exist in societies where the idea of a comprehensive or multi-purpose university is not accepted by the universities themselves, the government or their clients.

*The binary system of higher education in Australia was based on a supposed division of pure from applied study and research. The economic motive, which prompted the government to require that the expansion of higher education take place in institutions that would be cheaper to establish and to maintain than universities, was overlaid with an ideological component which ascribed different functions to different types of institution. The economic requirement alone might have resulted in an array of institutions of different standards and with a different cost structure on the American model. However, the rationale for a binary policy of higher education demanded a dual system of institutions that were 'equal but different', i.e. comparable in standard but different in function.*³⁶

Ideology, and the lack of a clear purpose, ensured that the binary policy was only a partial success.

Birch & D. Smart. (1977) *The Commonwealth and Education 1964 1976: Political Initiatives and Development*. Drummond. Richmond. p 153

³⁴ B. Bessant. (1997) op. cit. p 90

³⁵ I. Wark. "Colleges of Advanced Education and the Commission on Advanced Education." in I.K.F. Birch & D. Smart. (1977) op. cit. p 153

³⁶ S. Davies. (1989) op.cit. p 135



...the commissioning of a review of the whole of 'tertiary education' along the lines already taken with respect to universities (Murray report 1957) represented a decision to extend a particular model of the national training effort in which industry relied on taxation revenue and government-organised services.³⁷

The differences between universities and colleges of advanced education were not clearly articulated and concerns about the Martin Report were beginning to surface in academic circles even before it was released. In an unpublished paper called Thoughts on the Martin Report, Partridge criticised the committee for failing to address the 'fundamental education theory, the central principals it purports to be following in the proposals it makes concerning the future role of the universities and the and the nature and functions of the new colleges ...we are not told at all accurately in what ways the teaching should differ...'.³⁸

Support for the creation of the binary system of tertiary education came from Senator John Gorton who was given responsibility for implementing the recommendations of the Martin report. Gorton did not hold a degree and was convinced that vocational and technical training, of the kind he had experienced, was more valuable than the type of theoretical education that he believed was carried out in the universities. Gorton argued that the new colleges should be an institution 'in which facilities for applied research - as distinct from the pure research of the universities proper - were concentrated and in which industry and the college collaborated in full-time advanced work of all kinds'.³⁹ The Colleges of Advanced Education came into being in 1965.

1972 - The Third Turning Point - the Whitlam revolution.

The election of the Labor government in 1972 represents the next key turning point in the history of education policy in Australia. Prime Minister Gough Whitlam had held very strong beliefs about the role of education since the start of his political career. He made his first major speech on education in the House of Representatives shortly after his election to parliament in 1953. It was to set the tone of his speeches over the next 20 years:

³⁷ J. Polesel & R. Teese. (1998) *The 'Colleges': Growth and Diversity in the Non-university Tertiary Studies Sector (1965 – 1974)* Department of employment, Education, Training and Youth Affairs. Australian Government Publishing Service. Canberra. P 6

³⁸ P.H.Partridge. (1965) "Thoughts on the Martin Report" quoted in S. S. Richardson. (1972) "A Role and Purpose for Colleges of Advanced Education", Harman, Grant. & Selby Smith, G. (1972) *Australian Higher Education. Problems of a developing system.* Angus & Robertson. Sydney. p 4.

³⁹ *Cabinet Submission No 626: Report of Committee on Tertiary Education - Technical Colleges.* p 4 in S. Davies. (1989) op. cit. p 129



*Education is absorbing an increasingly larger part of the Budget of each of the States. At present, education is the largest item in each of those Budgets. I have no doubt that, as with every activity in respect of which the Australian government makes finance available, the Commonwealth will gradually be obliged to take over that function from the States. Everybody in Australia is entitled without cost to the individual, to the same kind of educational facilities, whether it be in respect of education at the kindergarten or tertiary stage or the post-graduate stage.*⁴⁰

He returned to the same theme at the end of the parliamentary year:

*It is impossible any longer to regard education ...as a State matter ...education has expanding frontiers, and the Commonwealth is the only authority that has expanding financial frontiers...Education is a national and not a State matter.*⁴¹

Whitlam's attitude to education, and to health and social welfare, was shaped by three factors; his belief in social democracy, his strong sense of nationalism and his hatred of inefficiency. The promotion of equality dominated Whitlam's political philosophy and informed his pronouncements on health, social welfare, transport, urban development and education. They were not discrete subjects, but aspects of the same problem. He was convinced it was the responsibility of government to intervene in society and to manage the economy in such a way that people were not disadvantaged by what he termed 'inequality of luck'.⁴²

Whitlam's commitment to social justice did not change through the long years that the Australian Labor Party was in opposition. If anything the struggle to obtain government funding for Catholic schools sharpened his beliefs about the unique role of education in building a more civil society. Consequently, as prime minister and leader of the Labor Party, he rejected the Menzies' approach which was to direct commonwealth funding to the universities and private schools that were used by a small portion of the population drawn mainly from the privileged classes. After careful deliberation, Whitlam chose K. E. Beazley, whose attitude to education closely resembled his own, as Minister for Education.⁴³ Together, Whitlam and Beazley concentrated their policy making on support programs for students from disadvantaged backgrounds, on poor and disadvantaged schools and on the pre-schools that were to provide all children with a sound educational start to life.

⁴⁰ *Commonwealth Parliamentary Debates. House of Representatives.* 1 October 1953. p 941.

⁴¹ *Commonwealth Parliamentary Debates. House of Representatives.* 2/3 December 1953. p 836

⁴² E. G. Whitlam. (1972) ALP Policy Speech, in E. G. Whitlam. (1977) *On Australia's Constitution.* Widescope. Melbourne. p 268

⁴³ E. G. Whitlam. (1985) op. cit. p 215



Every aspect of Whitlam's policies demonstrates that the philosophy underpinning them is markedly different to Menzies'. Whitlam's drive for equality of opportunity was couched in terms of 'bursting limitations' - individuals were not to be bound by their circumstances; the nation was not to be held back by old loyalties. He rejected totally the values implicit in Menzies' forgotten people speech that, in his opinion, argued that fear and self-interest were the basis for social progress.⁴⁴ Whitlam believed that the most enduring single achievement of his government was the transformation of education in Australia,⁴⁵ because the purpose of education was the improvement of society. According to Whitlam's Minister for Education, K. E. Beazley, 'it is the instrument of every child's and young person's dignity and competence'.⁴⁶ Education was the means of equipping citizens with the necessary knowledge and skills to become democratic political citizens. Only education could allow all people to equip them for full participation in society. If constraints of poverty and ignorance could be removed, and a sense of community developed, many of Australia's problems would disappear.⁴⁷

Soon after its election in 1972 the Labor government set the process of reform in motion. Following discussions with Beazley, Whitlam established the Interim Committee of the Schools Commission, chaired by Professor Peter Karmel. The committee was asked to examine the position of government and non-government primary and secondary schools throughout Australia and to make recommendations on the immediate financial needs of those schools and the ways in which those needs could be met. The Interim Committee Report was tabled in parliament on 30 May 1973. It described a school system riven by inequality and suffering from inadequate funding. The report also drew attention to the inequalities of educational opportunity in Australian schools remarking that:

*The test of whether equality of opportunity existed would be that those going to on to higher education were drawn from all groups in the same proportion as each group was represented in the population...*⁴⁸

Clearly, they were not. Twenty-three and a half per cent of students entering the four professional faculties between 1965 and 1967 had fathers described as professional, while the same group represented just over five and a half per cent of the total male population. The Karmel Committee devised a long-term plan to ensure that all

⁴⁴ E.G. Whitlam, (1975) *The Road to Reform - Labor in Government: Can Labor Carry Out Its Mandate?* Chifley Memorial Lecture. Melbourne University ALP Club. Melbourne.

⁴⁵ E. G. Whitlam. (1985) *The Whitlam Government 1972 - 1975*. Viking. Penguin Books. Ringwood. pp 319.

⁴⁶ K.E. Beazley Snr in Connell. (1993) op. cit. p 259.

⁴⁷ James Walter (1980) *The Leader - A Political Biography of Gough Whitlam*. University of Queensland Press. St Lucia. p 127 - 128

⁴⁸ Peter Karmel. (1973) *Schools in Australia. Report of the Interim Committee for the Australian Schools Commission*. Australian Government Publishing Service. Canberra. p 17



Australian schools met a minimum acceptable standard by the end of the seventies that the government intended to implement during its term in office.⁴⁹

Another manifestation of the Whitlam governments' understanding of education as a means of social transformation was its assumption of responsibility for funding tertiary education in 1974. Tuition fees were abolished in all universities, CAEs, technical colleges and teachers' colleges in the belief that they were a major obstacle to the entry of prospective students from lower socio-economic backgrounds. At the same time the Tertiary Education Assistance Scheme was established to pay a stringently means-tested living allowance to all eligible tertiary students, replacing the merit-based, but also means-tested, Commonwealth Scholarship Scheme which had been paid to some 17 per cent of students. A range of educational programs designed to promote equality of opportunity was developed, and infrastructure improved, or established, across all aspects of education from kindergartens to teachers' colleges. By devoting extra resources to all stages of education from pre-school to university, and by ensuring that the bulk of available funding went to public, not private, institutions Whitlam intended to reduce the traditional educational advantage of the middle and upper classes over their less wealthy neighbours.

Long overdue as these reforms were they were also expensive, and by mid-1975 they were costing more than six billion dollars. The cost would not have been a problem but for the oil crisis in 1974, and the worldwide recession that began in 1975. The treasury was unhappy at high levels of expenditure on what it regarded as non-essential services, and this unease spread quickly to the public. Labor's 1975-76 budget contained no further increases in tertiary education funding, but it also protected some areas. Had the Whitlam government been returned to office in 1975 it is likely that the need for financial restraint would have prevented further expansion of the universities, but it is unlikely that there would have been an inquiry into tertiary education fees and living allowances, or that the National Education and Training (NEAT) Scheme would have been dismantled as happened following the election of the Liberal government.⁵⁰

1975: The Third Turning Point - a new economic philosophy.

In 1975 few people could have imagined that the Labor Party's 1975/76 budget would come to represent the most significant turning point in Australian higher education policy since the Second World War. Its impact is still being felt today.

⁴⁹ E. G. Whitlam. (1985) op. cit. pp 316- 317

⁵⁰ Andrew Spaul in A. Patience & B. W. Head. (eds) (1979) *From Whitlam to Fraser. Reform and reaction in Australian politics*. Oxford University Press. Melbourne. p 126



Until the economic crisis of 1974 Western governments accepted the Keynesian economic idea that government had an obligation to regulate growth, to provide services that would in turn boost employment and generally manage the economy. Influenced by the misery of the 1930s depression many people, including Keynes, had come to regard unfettered capitalism as dangerous. It was morally objectionable, it appealed to greed instead of idealism, it promoted inequality, it had failed people and had helped to cause the recent war.⁵¹ Keynes believed that classical economics was based on a fundamental error; that the balance between supply and demand would produce full employment. In his opinion the truth was just the opposite; the economy was chronically unstable and subject to fluctuations. Economic instability was likely to cause political instability or worse. He attributed the rise of European fascism and the Second World War to the greed the 1920s and the inability of the unregulated markets to deliver what they promised.⁵² The small number of economists who were not convinced by Keynes arguments, and who argued that the market was the only trustworthy regulatory body, were regarded as misguided or deluded. It took thirty years for their ideas to gain ascendancy.⁵³

Nineteen seventy-four and 1975 saw the first worldwide recession since the 1930s. Production, development, investment and employment dropped sharply under the combined impact of economic uncertainty and the second OPEC crisis. In defiance of all previously known economic laws unemployment rose at the same time as inflation grew.⁵⁴ The Whitlam government's first response was to employ the conventional Keynesian strategies and increase government spending, but, inflation continued to rise while growth slowed. Instead of injecting further funds in the 1975 Budget, Treasurer Bill Hayden, spoke of a need for the government to restrain spending in order to give the private sector the opportunity to invest.⁵⁵ In doing so he became the first Australian Treasurer to abandon Keynesian economics in favour of the newer monetarist model developed by Milton Friedman and Friedrich von Hayek.⁵⁶ In an effort to control potentially inflationary spending on tertiary education the government declared that 1976 would be treated as a special year outside normal triennial progression.⁵⁷

The opposition was quick to attribute the economic crisis to Whitlam's incompetence, and the Fraser government's overwhelming electoral successes in 1975 and 1977 were, in part, a measure of their success in convincing the electorate to agree with

⁵¹ D. Yergin. and J. Stanislaus. (1998) *The Commanding Heights*. Simon & Schuster. New York. p 22

⁵² D. Yergin. and J. Stanislaus. (1998) *ibid.* pp 39 - 42.

⁵³ D. Yergin. and J. Stanislaus. (1998) *ibid.* p 21

⁵⁴ B. Hughes. "The Economy." in A. Patience & B. W. Head. (1979) *op. cit.*

⁵⁵ Bill Hayden. (1975) *Commonwealth Budget Papers*. in Marginson, Simon. (1997) *Educating Australia. Government, economy and citizen since 1960*. Cambridge University Press. p 74

⁵⁶ D. Yergin. and J. Stanislaus. (1998) *op. cit.* pp 141 - 149

⁵⁷ Don Smart. (1989) "Education." in B. W. Head & A. Patience. (1989) *From Fraser to Hawke. Australian Public Policy in the 1980s*. Longman Cheshire. Melbourne.



them. The Fraser government was one of the first to be influenced to any significant degree by the economic philosophies of Hayek and Friedman. For a decade Hayek had argued in favour of stripping liberalism of its social democratic aspects.⁵⁸ He argued the social order should be based on individuals linked by contract and exchange; that individuals should take full responsibility for their own fate and the government should not interfere with the individual's freedom of choice.⁵⁹ Friedman went further to argue for a reduction of the role of government to the preservation of law and order.⁶⁰ The market liberals, or economic rationalists, and their political supporters, known collectively as the New Right, did not regard participation by ordinary citizens in political decisions as desirable or even necessary since it tended to interfere with the activities of the marketplace.⁶¹

1975: The Fourth Point - the 'anti-Father Christmas'.⁶²

If education had an unusually exalted status under the Whitlam government, it quickly lost that privilege with the election of the Fraser government. Under Whitlam's leadership the Labor government had attempted to overhaul the entire education system. Their efforts had not been successful, but they had attempted to deal with problems and to incorporate contemporary educational thinking into their solutions. Under the influence of New Right philosophy the Fraser government's education policy was vastly different, not only to Whitlam's but to Menzies' policies as well.

"In its approach to social policy, the Fraser government has taken a position strongly opposed to the style and substance of the Whitlam administration which preceded it. The differences are not confined to the philosophy of social policy itself, but also flow from a radically different view of the roles of the public sector in the economic system, and of the Commonwealth government in Australian federalism."⁶³

Menzies and Whitlam had markedly different views on education, but they shared a conviction that the government had a right, even an obligation, to govern for the good of the citizens, however they interpreted that phrase. In general terms the Fraser government's broad objective was to reduce the size of the public sector while

⁵⁸ F. Hayek. (1960) *The Constitution of Liberty*. Routledge & Kegan Paul. London. p 108

⁵⁹ F. Hayek. (1944) *The Road to Serfdom*. Routledge & Kegan Paul. p 19.

⁶⁰ M. Friedman. (1962) *Capitalism and Freedom*. The University of Chicago Press. Chicago. p 34

⁶¹ F. Hayek. (1960) op. cit. p 110.

⁶² G. Henderson. (1998) *Menzies' Child: The Liberal Party of Australia*. Harper Collins. Sydney. p 252

⁶³ R.B. Scotton. (1980) "The Fraser government and social expenditures." in R. B. Scotton & H. Ferber. (1980) *Public Expenditures and Social Policy in Australia. Volume II. The First Fraser Years, 1976 - 78*. Longman Cheshire. Melbourne. p 1.



leaving the largest possible proportion of total resources in the hands of the private sector, both individuals and companies.⁶⁴

The Fraser government was ill-prepared for government when it took office in 1975 and had no real domestic policy except to reduce inflation. Spending for social purposes, including education, had been responsible for the whole of the increase in the proportion of gross domestic product absorbed by the public sector between 1972-73 and 1975-76; consequently it was an obvious target for cutbacks.⁶⁵ The Liberals had had difficulty formulating policy during the Holt, Gorton and McMahon governments, and the situation deteriorated further in Opposition. The newly revised party platform was not ready for the 1974 double dissolution, but was hastily finished in time for the election in 1975.⁶⁶

The Fraser government's 'new federalism' policy also contributed to the severity of the cuts to tertiary education. New federalism restored the traditional balance between the state and Commonwealth Governments, and it was also an effective way of reducing commonwealth outlays.

The Fraser government hoped to renew State responsibility and accountability in public programs through new taxation reimbursements and replacements of much of the specific purpose grants with general reimbursements to the States. What better place to supervise the experiment than in the education portfolio: it was an important State function, the area of greatest public outlay by the State governments and the showpiece of Labor's domestic activity between 1972 and 1975.⁶⁷

On the surface it appeared that the Liberal Party's understanding of the role of education had not changed significantly since the 1960s, but in reality education was singled out for special attention.⁶⁸ At the time of the election it had no education policy beyond a desire to boost public support for private schools that had experienced a decline in enrolments during the Whitlam years. The driving force behind all of Whitlam's social reforms was the desire to include ordinary citizens in the governing process. To him, education was the means of equipping citizens to exercise their democratic political. In contrast, the New Right's intention was to create social conditions that would create the individualist economic 'anti-citizen'.

It is probably an exaggeration to describe Malcolm Fraser as a New Right politician. Neither is it possible to determine exactly the degree to which Prime Minister Fraser

⁶⁴ R.B. Scotton. (1980) "The Fraser government and social expenditures." in R. B. Scotton & H. Ferber (1980) *Public Expenditures and Social Policy in Australia. Volume II. The First Fraser Years, 1976 - 78.* Longman Cheshire. Melbourne. p 1.

⁶⁵ G. Henderson. (1998) op. cit. p 256.

⁶⁶ G. Henderson. (1998) ibid. pp 250 - 252.

⁶⁷ A. Spaul. (1979) op. cit. p 134.

⁶⁸ A. Spaul. (1979) ibid p 125



supported monetarist economic policy, but the influence of New Right philosophy is clearly discernable in many of the decisions taken by his government. According to the New Right, the ideal education system was based on market principles. Friedman argued that there was no social benefit to raising the education levels of the general population, that all benefits derived from university education were private and should not be subsidised in any way by governments.⁶⁹ Hayek argued that wealthy families should be able to provide educational advantages for their children since 'a society is likely to get a better elite if ascent is not limited to one generation'.⁷⁰ In their opinion, good public education and a university system available to all who wanted it were a threat to public order since they raised expectations that might not be met. Governments that regarded education as a transformative experience were in danger of creating too much social mobility.⁷¹

Fraser's chief argument was that all post-war governments have developed their social policies during a period of economic expansion. Since post-war growth had come to an end, these policies would no longer work, and a review of fiscal as well as economic policies was necessary. From the outset Fraser had a clear vision of what was an appropriate role for his new government, but that vision was extraordinarily narrow. It rested on the belief that people are natural adversaries and relied on fear as its motivating force. Life was not meant to be easy, but restrained, self-reliant and fiscally responsible. The danger of providing benefits to those who had not earned them or of governing through consensus was that people would lose their vigilance, society would become soft.⁷² Regardless of the way that Fraser arrived at his conclusions his education policy, with its emphasis on meeting the need of business and industry, and on 'user pays' had a profound impact on the whole of the education sector.

Throughout 1976 the Minister for Education, Senator Carrick, fought a rearguard action to defend his portfolio from the Treasury, but by 1977 it was clear that the Treasurer, Phillip Lynch, had succeeded in persuading the government that education funding must be cut. The pre-election commitment to 2 per cent real growth in federal funding was abandoned.

At the same time the philosophy underpinning education policy was realigned with the conservative values first manifested by the Menzies Liberal government in the 1950s. The eight funding categories for secondary schools established by Karmel were reduced to three and support for the wealthiest schools was restored.⁷³ In the

⁶⁹ M. Friedman. (1962) pp 86-88

⁷⁰ F. Hayek. (1960) op. cit. p 90

⁷¹ S. Marginson. (1997) *Educating Australia. Government, Economy and Citizen Since 1960*. Cambridge University Press. pp 123 - 124

⁷² G. Little. (1989) "Leadership Styles: Fraser and Hawke" in B. W. Head & A. Patience. *From Fraser to Hawke*. (1989) op. cit. p 10.

⁷³ A. Spaul. (1979) *ibid.* pp 136 - 137.



same year Carrick ordered the Schools Commission to transfer \$13.8m from government schools and joint programmes to non-government schools on the grounds that the states improved financial position would enable them to direct more funds to public schools and that the poorest schools would have reached the minimum standard suggested by the Schools Commission. Therefore these schools would not require the same level of support from the Commonwealth.⁷⁴ The greater part of these redirected funds did go to needy Catholic schools, but a substantial amount went to wealthy private schools on the grounds that they provided choice and diversity in education.⁷⁵

In mid-1976 Senator Carrick gave the Universities Commission new funding guidelines for the 1977-1979 triennium. An increase of 3.2 per cent was provided for 1977, with no commitment for the following two years. The reintroduction of tuition fees had been mooted soon after the election, not acted upon at this point.⁷⁶ Post-graduate awards were reduced and fees for second and subsequent degrees introduced. Growth in the number of prospective students applying to tertiary institutions had been slowing for some years, but the Universities Commission believed that such severe restrictions on funding would stop growth altogether. In a second reversal of trends the number of tertiary institutions was reduced through a series of amalgamations. Then in 1981 the government set up a cabinet sub-committee to examine ways of reducing government expenditure. The 'Razor Gang', as it became known initiated a complete restructure of the CAE sector into a much smaller number of larger institutions, suggesting that these would be more efficient in the management of their resources and offer greater opportunities to students.⁷⁷ The net effect of these policies was to reverse the trend towards a system of mass tertiary education that had been in progress for twenty years. At the same time the number of secondary students completing a matriculation year continued to rise making competition for tertiary education places more acute.⁷⁸ By cutting funding to public schools, and to the universities, Fraser effectively stopped university expansion by attacking it on two fronts. Funding for universities and CAE's was cut to the point where it could barely keep pace with inflation. Only the recently established Technical and Further Education (TAFE) sector received an increase in support. A decline in the growth of the university and college sector led to a decline in demand for places. Once again, getting a degree was a privilege largely restricted to the upper middle class, while the expansion of the TAFE sector was encouraged to provide a sufficiency of skilled technical workers for business and industry in precisely the same role that Menzies had envisaged for the CAEs.

⁷⁴ W.F. Connell. op. cit pp 274 - 275

⁷⁵ A. Spaul. (1979) op. cit. p 137

⁷⁶ Meredith Edwards. (2001) *Social policy, Public Policy: from problem to practice*. Allen & Unwin. Crows Nest. p 98.

⁷⁷ W. F. Connell. (1993) op. cit. p 383

⁷⁸ W. F. Connell. (1993) *ibid.* p 407



Once the initial shock of Whitlam's dismissal in November 1975 had faded the party began to reform itself. Hayden replaced Whitlam as leader in 1977 and soon after a revision of the entire party platform began. Hayden's election was a watershed in party's history. Although he was not an economic rationalist in the true sense of the term, it was Hayden who first paid serious attention to the new theories and introduced them into the decision-making process, it was also Hayden who consciously began the process of turning the Labor Party into a party of mass appeal. A crucial step in this process came in when 1982 the Labor Party dropped the commitment to socialism that had been a part of its platform since its founding almost a hundred years earlier.⁷⁹

The Australian Labor Party used its period in opposition to complete the process of remaking itself that had already begun in 1975. The emergence of monetary economic theory presented the ALP with a dilemma. On the one hand Keynesian economics did not seem able to provide a solution to Australia's economic problems, on the other, Friedman's ideas were at odds with the ALP's traditional support for socialism. At the same time the party had constructed an image of itself under Whitlam's leadership that was modern and progressive. Much of Whitlam's enthusiasm for a strong Commonwealth Government was grounded in the belief that the state governments were little more than the remnants of an outmoded, historical model standing in the way of her future as a nation. Many of the ALP's policies and programs were also intended to identify the party as forward looking, in sharp contrast with the Liberals whom they cast as old-fashioned men dreaming of the colonial past. Monetarist economics was clearly a new development and one that some members of the party found attractive as a result. Clinging to Keynesian theories, with all their connotations of the Great Depression and World War II, put the party at risk of seeming old fashioned.⁸⁰

By 1982 it was also apparent that a change of government was once again imminent. Desperate to win, the party replaced Bill Hayden with Bob Hawke, a former leader of the Australian Council of Trade Unions whose personal popularity was unprecedented in Australian political life, just weeks before the election.⁸¹ In effect, the party had replaced a pragmatic leader with a super-pragmatist. Hawke was the first Labor leader with friends among prominent, wealthy business leaders, as well as trade unionists. While it appeared he was able to treat people from all backgrounds as equals, his world view, and consequently his political values, were shaped by the company he mixed with giving him a more corporatist outlook than any previous Labor Party leader.⁸²

⁷⁹ D. Jaenesch. (1989) *The Hawke-Keating Hijack*. Allen & Unwin. Sydney. p 162

⁸⁰ Lindsay Barrett. (1995) *The Prime Minister's Christmas Card: Modernism and Politics in the Whitlam Era*. Unpublished Doctoral Thesis. University of Technology. Sydney. p 225

⁸¹ S. Ryan. (1999) *Catching the Waves. Life in and out of Politics*. Harper Collins. Sydney. p 205 - 207.

⁸² Paul Kelly. (1984) *The Hawke Ascendancy*. Angus and Robertson. Melbourne. p 219



1983: The Fifth Turning Point - pragmatic Labor

Those who expected or hoped that a return to a Labor government would mean a return to the values of the Whitlam years were sadly disappointed. The election of Bob Hawke meant that for the first time in almost a decade Australia had a Prime Minister who had not been Minister for Education at some stage in his political career. Education was simply not a priority. As Susan Ryan, Minister for Education from 1983 to 1987, was to comment later:

*Cabinet in general had decided that Whitlam's education largesse had not been electorally rewarded and that education was a 1970s issue that should be dropped a long way down the reform agenda.*⁸³

When the Hawke government took power in 1983, 91 per cent of university funding derived from the Commonwealth Government, and only 3 per cent from fees and charges including income earned through research. The new Labor government was faced with three possible choices: (i) endorse the Whitlam vision of higher education as a means of transforming society and fund expansion, even though this would lead to accusations that it was ignoring election promises about fiscal responsibility; (ii) concentrate on the economy, limit the growth of the tertiary sector and ignore the problem of youth unemployment and the demands of business and industry for more trained personnel; or, (iii) provide a small funding increase for tertiary education while developing new sources of funding, and allow student demand to set the limits of growth. Attempting to balance competing demands, the government opted for the third alternative, but continued to refine its policy over a period of years.⁸⁴

The Labor Party was elected for three successive terms of government between 1983 and 1996. During this period changes in political and economic circumstances resulted in changed priorities. Consequently, education policy produced by the Hawke, and then Keating, governments can be divided into three periods loosely corresponding to each government. However, only the first and third of these periods can properly be described as containing, or representing, key turning points.

Policy produced in the first period between 1983 and 1985 conformed to the party policy articulated before the election. Initially, the Hawke government rejected the monetarist approach to solving Australia's economic difficulties. Its first two budgets were, generally speaking, a return to Keynesian economics, combined with a variety of policy adjustments and an agreement between the government, business and the unions to control wage and price increases intended to control inflation, known as the Accord. However, as the process of opening Australia's economy to international

⁸³ S. Ryan. (1999) *ibid.* p 226

⁸⁴ S. Marginson. (1997) *op. cit.* p 225 - 226



markets continued this approach became difficult to sustain in the face of deteriorating economic conditions.

Labor did not ignore the tertiary sector during this first period, though it focussed on the more pressing needs of secondary education. Ryan announced the creation of 3000 additional tertiary places in 1984, and a further 10, 190 new places to be created between 1984 and 1988. There would be a special emphasis on providing places for Aboriginal and Torres Strait Islander students, women, migrants, low-income groups and people with disabilities.⁸⁵ Signs of the new attitude emerged when the Minister for Finance, Peter Walsh, had attempted to persuade the government to reintroduce tuition fees of around \$1400 for university students and \$900 for CAE students, arguing that free tertiary education could not be justified in tight economic circumstances, and that it amounted to a subsidy for the better off.⁸⁶

In the second period between 1985 - 1987, a transition from the traditional Labor commitment to social justice to an economic rationalist approach took place even though Ryan remained minister. Efficiency and economy became the two catchwords of the period.⁸⁷ Throughout the eighties the Hawke government adopted more policies heavily influenced by monetarist economic theory. Its growing concern with economic management led it to prompt CTEC's Review of Efficiency and Effectiveness in Higher Education in 1986. The review noted that while funding had remained unchanged in real terms for more than a decade student numbers had increased by 25 per cent and recommended that tertiary institutions should derive as much income from the private sector as possible, that new technologies be introduced in conjunction with or in place of traditional learning methods and a more effective use of institutional resources be developed.⁸⁸ Nevertheless, the review did not go far enough to satisfy the economic rationalists in the Cabinet. Ryan maintained that it was her reluctance to accept their proposals, including fees, which led to her removal from the education portfolio.⁸⁹ At the same time the Commonwealth Tertiary Education Commission's review recommended the retention of the binary system, arguing that the distinction between types of institutions was justified even though many of the original distinctions between universities and CAEs had ceased to exist.⁹⁰

⁸⁵ D. Smart & J. Dudley. (1990) "Education Policy" in C. Jennett & R. G. Stewart. *Hawke and Australian Public Policy. Consensus and Restructuring*. Macmillan. p 206 - 207

⁸⁶ C. Power & F. Robertson. (1988) *Participation in Higher Education: Effects of the Administrative Charge*. National Institute of Labour Studies Incorporated. Flinders University. Bedford Park. pp 1 - 2

⁸⁷ R.G. Stewart & C. Jennett. (1990) *Hawke and Australian Public Policy. Consensus and Restructuring*. Macmillan. Crows Nest. pp 1- 4.

⁸⁸ *Review of efficiency and effectiveness in higher education*. (1986) Commonwealth Tertiary Education Commission. AGPS. pp 150- 155

⁸⁹ S. Ryan. (1999) op. cit. pp 252 - 253

⁹⁰ DEET (1993) *National Report on Australia's Higher Education Sector*. Australian Government Publishing Service. Canberra. Canberra. p 28



By its third term in 1987 the government was beginning to talk about the need to restructure the whole economy. Higher education was to be made to contribute to the national interest. Policy written in the third period between 1987 and 1996, following the appointment of John Dawkins as Minister for Education represents the final outcome of the shift in values.⁹¹ Efficiency was no longer sufficient, the role of government funding for tertiary education was under question.

The government's change in attitude was due in almost equal parts to economics and ideology. Between 1985 and 1987, the last two years of Ryan's ministry, the funding crises in universities had deepened. Appeals for help were largely ignored and pressure on the universities to make do with existing funds or seek alternative sources increased. During the same period the influence of neo-classical or monetarist economic ideology on education policy became more and more apparent with the floating of several proposals for privatisation.⁹² A number of key ministers, including Paul Keating, John Dawkins and Peter Walsh were strong advocates of deregulation and privatisation, if not completely persuaded of the wisdom of withdrawing the government from virtually all areas of public life as advocated by Hayek and Friedman. Key advisers such as Professor Michael Porter from the Centre for Policy Studies at Monash, were strong advocates for the creation of private universities and the reintroduction fees.⁹³ In March 1985, Walsh, as Minister for Finance, attempted to persuade Cabinet to approve the introduction tuition fees in the 1986 - 87 Budget. Caucus rejected the proposal, insisting that the party platform be upheld. However the Budget did contain a Higher Education Administrative Charge (HEAC) to cover part of the administrative costs of university degrees on the insistence of Walsh, Hawke and Dawkins.⁹⁴ While this charge appeared to make a mockery of Senator Ryan's statement delivered two weeks earlier, that the government would not impose tuition fees, in accordance with party policy, the government was able to claim that the administrative charge was not a tuition fee in the true sense of the word.⁹⁵

1987: The Sixth Turning Point – Green Paper, White Paper.

The changed priorities of the third Hawke government were symbolised by the replacement of Senator Ryan as Minister of Education with Senator John Dawkins, one of the strongest advocates of monetarist economics in the government, and the consolidation of the Department of Education into the meta-Department of Employment, Education and Training (DEET). The unprecedented union of education

⁹¹ D. Smart & J. Dudley. (1990) p 207

⁹² D. Smart & J. Dudley. (1990) *ibid.* p 206

⁹³ D. Smart (1989) *ibid.* p 318

⁹⁴ C. Power & F. Robertson. (1988) *op. cit.* pp 2 - 3

⁹⁵ D. Smart & J. Dudley. (1990) *op cit* pp 213 - 214



and employment signalled that education would serve the economy by ensuring that education was tailored to meet the needs of business and industry; all in the name of the national interest.⁹⁶

Dawkins was appointed to the education ministry with the express aim of reforming it.⁹⁷ He already had an impressive reputation for his efforts at restructuring the public service and improving the profile of his former Department of Trade, and he was determined to use those skills to deal with what he saw as the problems in education.⁹⁸ Dawkins wanted a bigger system. Bigger was not only better in terms of economies of scale, but bigger institutions would offer students and staff greater opportunities for study and employment. A bigger system would also produce more graduates, possessing qualifications in areas deemed necessary to national development under the government's overall economic plan to make Australia more competitive. But he wanted it without having to pay for it out of the public purse, hence the requirement that universities raise a substantial part of their own funds, and that students contribute directly to the cost of their education.⁹⁹

However, more than economics motivated Dawkins. He had toured the university campuses as a member of the Labor Shadow Cabinet not long before the election, and came away with the view that they were not only elitist, but 'fat, lazy, complacent institutions' unprepared to face reality and to make hard decisions.¹⁰⁰ In comparison, the CAEs worked longer hours, spent less per student, engaged in applied research and had no-nonsense, top down management systems.¹⁰¹ He was impatient with the universities' attempts to deal with the restraints resulting from the 1982/83 economic downturn, and made it clear that he believed they needed to take more responsibility for dealing with the difficulties facing them; they could not expect to appeal to the commonwealth for help as the predecessors had done in the 1940s, 50s and 60s. Moreover, there was the question of elitism. There were close connections between the universities and the elite private schools attended by most Liberal parliamentarians,¹⁰² and many prominent Liberals had attended university. In contrast, members of the Labor Party were more likely to have close connections with the technical colleges that predated the CAEs. Dawkins wanted a more equitable system that would meet the needs of students from a broad cross-section of society.

⁹⁶ D. Smart & J. Dudley. (1990) *ibid.* p 215

⁹⁷ G. Maslen & L. Slattery. (1994) *Why Our Universities Are Failing*. Wilkinson Books. Melbourne. p 2

⁹⁸ D. Smart. (1990) 'Who Should Control Universities and Colleges?' in D'Cruz, J.V. & Langford, P. E. (eds) (1990) *Issues in Australian Education*. Longman Cheshire. Melbourne. p 258

⁹⁹ G. Maslen & L. Slattery. (1994) *op. cit.* p 14 - 15

¹⁰⁰ G. Maslen & L. Slattery. (1994) *op. cit.* p 24 - 25

¹⁰¹ B. Bessant. (1996) *op. cit.* p112

¹⁰² B. Bessant. (1996) "Higher Education in Australia – The Unified National System." *Education Research and Perspectives*, Vol. 23, No. 1, pp 110



Dawkins moved very rapidly to establish his priorities on two fronts. The first step came in September 1987 when he issued a statement, *The Challenge for Higher Education in Australia*, that foreshadowed the government's intention to undertake a major review of the structure and funding of the tertiary sector. The speed with which he acted is characteristic of Dawkins' personality and career. Described as having a 'mania for doing'¹⁰³ - his personal style is crash or crash through. Maslen comments on the irony of the minister who owed most to Whitlam's style, being the one to destroy Whitlam's legacy.¹⁰⁴ Dawkins had also been a member of the Senate while he was a student at the University of Western Australia and his experience had given him a good understanding of the rhythms of academic life and the manner in which universities made decisions. He acted quickly to prevent critics, including those in the university sector, from organising against him.¹⁰⁵

The statement on higher education also signalled the government's intention to tie education to the national economic interest very tightly. In the following month, the various education commissions set up during the Whitlam era were disbanded and their resources and personnel were diverted into the newly created DEET. Ministerial power was strengthened and sources of possible opposition removed. Against Dawkins wishes, and as the result of amendments proposed by the Australian Democrat Party in the Senate, the Minister was obliged to create an autonomous statutory body to advise on issues across the whole portfolio, the National Board of Employment, Education and Training (NBEET). Dawkins' restructuring of his department centralised power in his control in an unprecedented manner.¹⁰⁶ For the first time a minister of education had the ability to intervene directly in the affairs of tertiary institutions to ensure that those institutions were faithful to government policy.¹⁰⁷

At the secondary level Dawkins' desire to link education to the economy were contained in the key document: *Strengthening Australia's Schools*. A second document, *Skills for Australia*, was directed at the TAFE sector. Both advocated the expansion of vocational training and improved levels of skill in the areas most needed by business and industry. The real concern was that this narrow instrumental view would come to dominate all areas of education. The state ministers of education were particularly worried that the federal government intended to intrude in schools by establishing a national core curriculum and national assessment standards which would undermine the traditional states' rights over schooling, end local diversity and possibly lead to unfavourable comparisons between states.¹⁰⁸

¹⁰³ M. Grattan quoted in Maslen & Slattery. (1994) op. cit. p30

¹⁰⁴ G. Maslen & L. Slattery. (1994) op. cit. p 30

¹⁰⁵ G. Maslen & L. Slattery. (1994) *ibid.* p 30 - 31

¹⁰⁶ G. Maslen & L. Slattery *ibid.* 24

¹⁰⁷ D. Smart & J. Dudley. (1994) op. cit. p 216

¹⁰⁸ D. Smart & J. Dudley. (1994) *ibid.* pp 216 - 217



The full effects of Dawkins vision were apparent in the tertiary sector. At the same time he released his September statement on higher education, Dawkins announced the commissioning of a policy discussion paper (Green Paper) to be released in December 1988. Dawkins overturned 30 years of tradition by refusing to appoint a committee of inquiry headed by a prominent figure. Instead his Green Paper was written in consultation with a core group of advisers from the public service and a group of 12 publicly unnamed advisers, nick-named the 'Purple Circle'.¹⁰⁹ Dawkins created his own advisory group of senior academics to bypass the AVCC and other recognised higher education groups whom he believed had prevented effective reform during Ryan's ministry. The Circle included two vice-chancellors (Mal Logan and Bob Smith), three directors of higher education institutes (Jack Barker, Brian Smith and Don Watts), an economist noted for her dry views (Helen Hughes) and a senior bureaucrat (Don Aitkin), but Dawkins himself did much of the original work. Like Menzies and Whitlam before him, Dawkins had a clear vision of the type of educational reforms he meant to achieve and, like them, he was deeply involved at every stage of the policy making process, spending days working on the Green Paper.¹¹⁰

The Green Paper begins with a statement about the uncertainty of the times we live in and goes on to assert that Australia can not be insulated from developments overseas. The higher education system is important in so far as it will enable the country to deal with new developments and challenges, but the narrow, vocational focus of the paper is evident from the outset:

*An expansion of the higher education system is important for several reasons. A better-educated and more highly skilled population will be able to deal more effectively with change. A major function of education is, after all, to increase an individual's capacity to learn, to provide them with a framework with which to analyse problems and to increase their capacity to deal with new information. At the same time, education facilitates adaptability, making it easier for new individuals to learn skills related to their intended profession and improve their ability to learn while pursuing that profession.*¹¹¹

What is lacking is the kind of assumptions about the cultural and moral value of tertiary, especially university, education found in the Murray Report. Remarks about the intrinsic value of university education appear to have been included to mollify critics. Since these 'benefits' were not explained, and since there is very little mention of them elsewhere in the document, these remarks were not convincing to a number of prominent academics at the time who regarded the Green Paper as motivated primarily by economic concerns.¹¹² Dawkins was not perturbed by such criticism;

¹⁰⁹ D. Smart. (1990) op. cit. p 258

¹¹⁰ G. Maslen & L. Slattery. (1994) *ibid.* pp 30 - 32

¹¹¹ *Higher Education: a policy discussion paper.* (1987) Commonwealth of Australia. AGPS. p 1

¹¹² Doubts are raised in a significant number of essays on this topic including:

L. Kramer. (1990) "Higher education: curriculum and national objectives." in D'Cruz. *ibid.* pp 217



indeed he defended his position by repeating the familiar refrain that the Hawke government had been elected to provide sound financial management.¹¹³

The Green Paper raised the possibility of fees in the public arena and led directly to the appointment of the Wran Committee on Higher Education Funding that recommended a graduate tax in April 1988. The government was still considering this proposal in July when the White Paper outlining the government's long-term strategy for tertiary education was released.¹¹⁴ Before the end of the year the proposal had been endorsed and the legislation passed. From January 1989 almost all university students were required to pay a fee of \$900 fee per equivalent full time semester. It was a complex system with discounts for up front payment and provisions for deferred payment through taxation once the graduate's salary reached a certain level.¹¹⁵ It was presented to the electorate as a step towards equity because it ensured that the children of middle class families who could afford to pay for university education did so. If such students payed part of the cost of their expensive university education then the government would have more money for other necessary programs in health and welfare.

In September 1988, following the acceptance of the White Paper, all tertiary institutions were invited to apply to become a part of the Unified National System. Acceptance was based on a commitment to meeting certain criteria: internal management was to be made more efficient, credit transfer arrangements negotiated, common term dates, equity goals and performance indicators agreed to. Under the new funding arrangements each new institution would have to have a student load of 2000 equivalent full-time students, 5000 to receive research funding and 8000 for research grants for wide ranging projects prompting a hasty round of mergers.¹¹⁶ Each new institution also had to develop an educational profile, defining its mission and goals, following negotiations with the Department of Employment, Education and Training relating to national priorities. This process marked the end of the binary system. The nineteen universities and the fifty-four CAEs ceased to exist and thirty-nine new universities were created.¹¹⁷

- 228, B. Crittenden. (1990) The cultural role of universities." *ibid.* pp 270 - 301 and Harman, Grant. and Meek, V. Lynn. (1988) *Australian Higher Education Reconstructed? Analysis of the Proposals and Assumptions of the Dawkins Green Paper.* Department of Administrative and Higher Education Studies. University of New England. pp 6 - 7.

¹¹³ J. S. Dawkins. (1988) *Address to the conference on "The Green Paper on Higher Education."* 16 - 18 February 1988, University of New England. in G. Harman et al (1988) *Australian Higher Education Reconstructed? Analysis of the Proposals and Assumptions of the Dawkins Green Paper.* Department of Administrative and Higher Education Studies. University of New England. p 15.

¹¹⁴ DEET. (1993) *op. cit.* p 81

¹¹⁵ P. Miller & J. Pincus (1997) *Financing Higher Education in Australia: The Case for Superhecs.* University of Western Australia. Nedlands. p 7

¹¹⁶ G. Maslen & L. Slattery. (1994) *op. cit.* p 25 - 26

¹¹⁷ B. Bessant. (1996) *op cit* p114



In some respects Dawkins' approach to university reorganisation can be seen as typifying the centralist style of the Labor Party, but it also represents the top-down, corporatist style of management being adopted by 'economically rationalist' Labor leaders such as Wran, Cain and Hawke to reform the public service along similar lines on taking office. Without doubt, it was easier to consult with a small number of institutional heads than a large number of vice-chancellors, heads of schools, directors and chief executives. Top-down management structures would also have the added advantage of giving vice-chancellors more control over the distribution of resources within their institutions, and DEET more control over the whole system.¹¹⁸

Like the Curtin government, and the Whitlam government, the successive Hawke/Keating governments stressed the importance of higher education in the process of national development, but they defined national development purely in economic terms whereas Curtin and Chifley had understood national development as encompassing economic strength, an independent culture and the ability to fend for oneself. This same vision of higher education motivated Whitlam, who also shared in those post-war years, but was noticeably lacking from the policies of Hawke and Keating who supported the neo-classical model of small government, and who were interested only in the economic contribution of the universities and their human capital. According to one observer, the logic of the Hawke/Keating approach means that the community can never afford to tackle social reforms since there is always some new economic crisis looming that requires attention.¹¹⁹

The years between 1989 and 1996 were a period of consolidation as the Dawkins' reforms were implemented, although the focus did shift to training and TAFE reform in the 1991 Budget.¹²⁰ During that period there were three successive ministers responsible for higher education - Peter Baldwin, Kim Beazley Jnr., Simon Crean. Of these, Baldwin made the most significant impact; he restated the government's policies in Higher Education: Quality and Diversity in the 1990s and told the universities that any further structural evolution was the responsibility of the institutions themselves. He also warned them that the universities should expect 'considerably less involvement by the Commonwealth than in the recent past'.¹²¹ The emphasis during these years was on quality enhancement and accountability. Decisions were made on capital funding and funding for salary increases that had long term implications for the internal structure and organisation of higher education institutions, but the overall impact of these changes was small in comparison with the impact of the White Paper in 1988.¹²² The Ministry, the Australian Vice-

¹¹⁸ B. Bessant. (1996) op cit pp112 - 113

¹¹⁹ G. Maddox. (1989) *The Hawke Government and the Labor Tradition*. Penguin. Richmond. p 93.

¹²⁰ G. Maslen & L. Slattery. (1994) *ibid*. pp 37

¹²¹ DEET (1993) *National Report on Australia's Higher Education Sector*. AGPS. Canberra. p 26 - 27

¹²² Frank Hambly. (1997) "Some Perceptions of Australian Higher Education, Past, Present and Future." in J. Sharpham & G. Harman. (1997) *Australia's Future Universities*. University of New



Chancellors' Committee and individual universities were occupied with finding ways to adjust to the challenges facing them.¹²³ At the same time amalgamations and redundancies were occurring, the entire sector continued to grow rapidly giving the appearance of change for the better. The total, number of students in the system increased by a huge 82 per cent from 349,000 to 643,000 creating a mass system of tertiary education for the first time in Australian history.¹²⁴ Some universities were literally bursting, yet unmet demand also continued to grow. A survey in 1991 showed that over 30, 000 qualified people could not get a place at university. By 1992 this figure had increased to 50,000.¹²⁵ Dawkins' plan to create a system of mass tertiary education had been successful; tertiary education had never been so popular, but demand was not spread evenly. While there was a huge demand for business and other vocational courses, there was a comparative decline in the humanities and sciences. It is possible that the very public argument over the relative merits of the non-vocational versus vocational courses among policy makers may have helped to create reality rather than reflecting it. For example, the creation of the HECS scheme may have caused students to think about the vocational aspects of their education, and to make course choices based on their perceptions of future earnings, rather than interest or availability.¹²⁶

By the start of 1996 consolidation of the Dawkins reforms was almost complete. The quality assurance review process had been operating since 1991, the funding mechanism, including triennial funding, funds for research and for capital works, were in place. Most universities were concentrating on internal reforms. Higher Education was not regarded as a high priority in the pre-election period. The Labor government did not intend any great change in direction; the Coalition's policies were not alarming. There were to be no vouchers, no upfront fees, no reduction of operating grants; less government interference and more students would be eligible for Austudy. The Australian Vice Chancellors' Committee's assumption, seemed to be that with the Liberal Coalition in power the universities' privileged position would be restored, and that something resembling the old binary system would be recreated with the TAFE system replacing the colleges of advanced education.¹²⁷ Hostility to Dawkins seems to have created an attitude among some academics that any alternative would be preferable.

England Press. Armidale. p 147

¹²³ *Australia's Universities: Partners in Australia's Future. Policy statement for the 1995 – 97 Triennium.* March 1993. Australian Vice-Chancellors' Committee. Canberra.

¹²⁴ J. Sharpham & G. Harman. (1997) *Australia's Future Universities.* University of New England Press. Armidale. p19

¹²⁵ J. Sharpham & G. Harman. (1997) *ibid.* p 21

¹²⁶ S. Marginson quoted in Paige Porter et. al. (1992) "Higher Education, National Development, and the Academic Profession: Do we still want "Good People thinking about the Universe"?" *Higher Education in Transition: Working Papers of the Higher Education Policy Project.* Graduate School of Education. University of Queensland. October, 1993. p 22

¹²⁷ S. Marginson. (1997) *op. cit.* p 1



At first, the election of the Howard government, in 1996, did not appear significant to the higher education sector. A Ministry for Employment, Education, Training and Youth Affairs was created, reflecting the attitude that all four aspects were inter-connected, but also removing the special status from higher education.

In April 1995, not quite one year before the election, John Howard had one of Prime Minister Robert Menzies old desks installed in his Sydney office. Later he would hang a large photo of Menzies in his Prime Ministerial office in Canberra.¹²⁸ Howard had never disguised the fact that Menzies was one of his heroes. However, in contrast with Menzies, and Fraser, he had no strong, personal interest in education. Howard became interested in politics at an early, though unspecified age. He decided that he wanted to enter parliament and planned his career accordingly. He studied law at Sydney University, but at that time the law school was located in Phillip Street, Sydney. In a curious foreshadowing of the contemporary part time or external student, Howard never experienced life on campus, nor used university activities as a way of sharpening his political skills as Menzies did.¹²⁹ His studies were a means to an end rather than an experience to be enjoyed

Despite the similarities in their lives and backgrounds, Howard's attitudes towards public policy and the role of government is a far cry from Menzies'. What led Howard to turn away from Menzies-style liberalism to support economic rationalism is not clear, but there is no doubt that he has. Howard states that he believes in the 'traditional social values of Australia', but he also believes that government should leave economic management to the markets.¹³⁰ It is not possible to imagine Menzies making a similar remark.

Howard's first government created a Ministry for Employment, Education, Training and Youth Affairs reflecting the attitude that all four aspects were inter-connected, and underlining the fact that higher education no longer had any special status as it had in the days of Menzies and Fraser. The choice of Senator Amanda Vanstone as the minister responsible for tertiary education, while David Kemp became Minister for Schools, Vocational Education and Training also suggests that tertiary education was not a major priority for the Howard Government at this time. Vanstone was enthusiastic and hard working, but inexperienced and not always a convincing performer. Vanstone admitted that she knew little about higher education, and had little interest in the area. She had hoped to become Attorney-General, however she moved quickly to meet with the AVCC and embarked on a program of rapid self-education.¹³¹

¹²⁸ G. Henderson. (1998) *Menzies' Child*. Harper Collins. Sydney. p 13

¹²⁹ G. Henderson. (1998) *ibid*. p 33

¹³⁰ Henderson (1998) *ibid* p 31.

¹³¹ Frank Hambly. (1997) *op. cit.* p 149



The Howard government's first Budget in August 1996 delivered a cut to the universities operating grants of 4.9 per cent over three years - the first cut since the 1940s. The HECS charge was increased substantially, differential charges based on the cost of delivering courses were introduced and the threshold for repayment was reduced from \$28,495 to \$20,701. Changes to Austudy and unemployment benefits also required students and their families to absorb substantially more of the costs of their own education than under Dawkins' original scheme.¹³² The understanding of higher education as a public good all but disappeared from government policy to be replaced by an emphasis on individual choice and individual payment.

Of even more significance was the government's refusal to fund salary increases for university staff, despite conceding that they were justified.¹³³ Between 1997 and 1999 the universities were obliged to find savings of more than half a billion dollars in order to meet funding cuts and salary increases.¹³⁴ The universities were left to find the necessary money from their existing funds resulting in an unprecedented number of cuts to programs, courses and staff redundancies on a scale not seen since Malcolm Fraser's 'Razor Gang' set to work in the late 1970s. Alternatively, the universities could seek private and corporate sponsorship or increase postgraduate fees to make up the shortfall in funding which amounted to 12 - 15 per cent in real terms.¹³⁵ Universities were also permitted to enrol fee paying Australian undergraduates once their target of HECS students had been exceeded to create an additional source of revenue and reduce the unmet demand for places, however the total number was not to exceed 25 per cent of the total student population.¹³⁶

*Wherever feasible, universities will be expected to make any necessary adjustments at the postgraduate level where they have the capacity to charge fees and where there has been dramatic growth in recent years.*¹³⁷

From 1996 the rate of growth in the number of domestic students enrolling began to slow. This was partly due to the drop in the number of secondary students completing Year 12, but also due to the greater attractiveness of overseas fee-paying undergraduate students and fee-paying domestic postgraduate students.¹³⁸

¹³² John Sharpham (1997) "The Context for New Directions: Ringing the Changes; 1983-1997." in J. Sharpham & G. Harman. (1997) op. cit. p 22

¹³³ D. Anderson et al. (1997) *The Effects of the Introduction of Fee-paying Postgraduate Courses on Access for Designated Groups*. NBEET Higher Education Council. Australian Government Publishing Service. Canberra. p 1

¹³⁴ P. Coaldrake & L Stedman. (1998) *On the Brink*. University of Queensland Press. pp 159 - 163

¹³⁵ S. Marginson. (1997) op. cit. p 2

¹³⁶ F. Hambly. (1997) op cit. p 27

¹³⁷ A. Vanstone. (1996) *Budget Statement on Higher Education*. Australian Government Publishing Service. Canberra.

¹³⁸ M. Considine. (2001) *The Comparative Performance of Australia as a Knowledge Nation*. Monash Centre for Research in International Education. <http://www.education.monash.edu.au/centres/mcrie/>



However, the effects of increases in postgraduate fees on the composition of the student population were also apparent within twelve months. The number of women students, mature age students, rural students and low socio-economic background students undertaking fee-paying courses had dropped, consequently increasing pressure for HECS funded places.¹³⁹

Within two weeks of the Budget, Prime Minister Howard and Dr David Kemp, Minister for Schools and Vocational Training announced that most of the training programs for the unemployed would cease, and funding for private schools would increase. As in the Menzies years, the government's preferred policy model was based on the pursuit of individual advantage, rather than the common good.¹⁴⁰

In January 1997, a new committee was appointed to review higher education financing and policy to be chaired by Roderick West.¹⁴¹ West was an interesting choice to head an inquiry of this type as he was not an academic, as Martin and Murray had been, but had been the headmaster of an independent school many years.

1998: The Seventh Turning Point - Minister Kemp and the 'Black Hole'

Following the Cabinet reshuffle in October 1997 David Kemp took over responsibility for higher education, and retained that portfolio after the ministerial reorganisation in 1998 that separated employment from education.

Kemp is Howard's ideal minister responsible for higher education. In contrast with Vanstone, Kemp had a long history of involvement in educational policy making. He had been a professor of politics at Monash and Melbourne universities and a policy adviser to Malcolm Fraser in the seventies; he helped to draft the education policy put into practice by the Fraser government when they came to power in 1975.¹⁴² In the 1980s he was instrumental in founding the H. R. Nicholls Society together with Peter Costello, and it is more than likely that these two men played a significant part in the shift to the right that the Liberal Party has undergone since the eighties. Among members of the Howard government, David Kemp, is easily one of the most ardent believers in neo-classical economic philosophy and its concomitant enthusiasm for small government. In opposition he was Shadow Minister for Education and drafted the coalition's education policy prior to the 1993 election. He also had impeccable credentials as an economic dry.

accessed 31/5/01

¹³⁹ D. Anderson et al. (1997) op. cit. pp 67 - 69

¹⁴⁰ S. Marginson. (1997) op. cit. p 3

¹⁴¹ P Karmel. (2000) 'Funding Universities.' in Coady, T. (2000) *Why Universities Matter*. Allen & Unwin. Melbourne. p 180 - 181

¹⁴² Gabrielle Chan. "Torch of the Right" *The Weekend Australian*. 14 - 15 October 2000.



The West Committee delivered its final report in April 1998. The report recommended that the government continue to fund selected targets, allow institutions to set fees, provide limited support for private providers, and ensure that public and private providers were treated equally and strengthen consumer protection arrangements for students. Government funding should be driven by student demand and universities were encouraged to be flexible.¹⁴³

The 'discovery' of an \$8 billion deficit in May 1998 prompted a total review of all government policies, including higher education. Faced with what it described as a budgetary Black Hole, the new government promptly abdicated a large part of its responsibility for higher education. The scope of these changes was so great as to be described as a 'counter revolution' in public policy.¹⁴⁴ In 1990, after the introduction of mixed public/private funding, the government contributed 68.4 per cent of tertiary funding; by 1999 this had fallen to 49.1 per cent. Total funding per student fell by 6.1 per cent, despite a 75.8 per cent increase in HECS revenue, a 71.2 per cent growth in fee income from international students, and 152.9 per cent growth in domestic student fees.¹⁴⁵ The government has also used its Workplace Relation Act to create a new industrial climate that has dismantled many of the traditional attributes of academic life.¹⁴⁶

The increase of market influences has produced some phenomena that would have been unimaginable even a few years ago. The University of Tasmania offered a \$1000 bonus to any overseas student who enrolled, the University of Central Queensland offered rewards to overseas students who recruited other overseas students; the University of Melbourne ran a series of advertisements inviting students enrolled at other universities to complete the last year of their degree at Melbourne by suggesting that a University of Melbourne degree conferred greater prestige.¹⁴⁷ The creation of a Melbourne University Private, and the development of Universitas 21 a private transnational education company registered on the island of Jersey, are the most spectacular examples of market influences to date.

*There has been a collapse in the resources underpinning the quality and capacity of tertiary education, affecting both teaching and research. The preoccupation of cash-starved institutions (especially universities) with short-term revenues had distorted the balance between fields of study ...*¹⁴⁸

¹⁴³ P Karmel. (2000) 'Funding Universities' in T. Coady (2000) *Why Universities Matter*. Allen & Unwin. p 180 - 181

¹⁴⁴ F. Hambly. (1997) *ibid.* p 150

¹⁴⁵ M. Considine. (2001) *op. cit.* p 26

¹⁴⁶ P. Coaldrake & L. Stedman. (1998) *op. cit.* pp 159 - 163

¹⁴⁷ P. Coaldrake & L. Stedman. (1998) *ibid.* p 164

¹⁴⁸ M. Considine. (2001) *op. cit.* p iv



Conclusion

A series of episodes or events mark key turning points in Commonwealth Government policy in higher education since the end of the Second World War. While some of these turning points – notably 1949, 1972, 1975 and 1983, correspond to changes in government, there are others that do not. Furthermore, these turning points are the result of a complex interplay of domestic and international factors.

Assuming that the view of higher education promoted by any government has an effect on the values and aspiration of university students, it might be expected that students who attended university or college during the 1970s shared, or at least understood, Whitlam's belief in the power of education to transform Australian society, even though it is suggested that the abolition of tuition fees did little to change the social composition of tertiary students¹⁴⁹ However, most studies in this area do not take into account the vast increase in the number of mature-age, part-time and external students in the years immediately following the abolition of tuition fees.¹⁵⁰ The absence of fees, together with provision of a generally available, though means-tested, living allowance also meant that many potential students, previously excluded by the cost of tertiary education, were able to graduate.¹⁵¹ The students who enrolled during this period are now the parents, and in many cases, the teachers, of the current cohort of senior secondary students. As such, a survey of their opinions should reveal any evidence of a generational change in the value of university education, if such a change exists.

The current year twelve cohort entered school around the start of the 'Dawkins Revolution'. They have grown up with an education system that is based upon the user-pays principal, and in an era when government policy regards education as valuable insofar as it serves the needs of the economy. Education is no longer Menzies' 'custodian of mental liberty'¹⁵², nor is it 'the instrument of every child's and young person's dignity and competence'¹⁵³. Since 1988, education 'facilitates adaptability, making it easier for new individuals to learn skills related to their intended profession and improve their ability to learn while pursuing that profession'.¹⁵⁴ There has been little mention of the ideal of the university as a cultural experience by governments of both parties since the mid-seventies.

¹⁴⁹ D. S. Anderson & A. E. Vervoon. (1983) *Access to Privilege*. Australian National University Press. Canberra. p 77 - 80

¹⁵⁰ DEET. National Report on Australia's Higher Education Sector. (1993) pp 20 - 21

¹⁵¹ Tertiary Education Assistance Scheme: What it Achieved 1974 to 1986. DEET. Australian Government Publishing Service. Canberra. p 2 - 6, 95

¹⁵² R.G. Menzies. (1939) op cit. p 12

¹⁵³ ¹⁵³ K.E. Beazley Snr in Connell. (1993) op. cit. p 259.

¹⁵⁴ *Higher Education - a policy discussion paper*. (1987) Commonwealth of Australia. Australian



The Whitlam and Hawke/Keating governments intended to create a mass system of tertiary education, then found that it was too big and too expensive to support. No Labor government since 1972 has attempted to justify funding a cultural ideal for the middle classes from the public purse when it also had to fund programs in health and welfare that benefit the majority of the population.

The Fraser government halted the trend towards a system of mass higher education, arguing that it was too expensive. At the same time it protected the cultural ideal of the university to a large extent by continuing to fund the elite private schools that exist in a symbiotic relationship with the most prestigious universities.¹⁵⁵ The Howard government has not tried to halt the growth in tertiary education, but it has made it clear that it will not fund it either. Remaining true to its economic ideology, it has insisted that the private sector, and individuals, contribute to the funding of tertiary education.

Nevertheless, the cultural ideal of the university has been able to flourish in an apparently hostile environment because the conservative governments have ensured that the elite private schools are able to escape the effects of the limits placed on investment in education.¹⁵⁶

Government Publishing
Service. p 1

¹⁵⁵ R. Teese. (2000) *Academic Success and Social Power*. Melbourne University Press. Melbourne. p 216

¹⁵⁶ R. Teese. (2000) *Traditional and new populations in higher education: why do their views converge?* Presentation for Charles Sturt University, Albury.