Review of the structure of the Commonwealth Tertiary Education Commission and arrangements for co-ordination and consultation with States and institutions

March 1985
REVIEW OF THE STRUCTURE OF THE
COMMONWEALTH TERTIARY EDUCATION COMMISSION
AND ARRANGEMENTS FOR CO-ORDINATION AND CONSULTATION
WITH STATES AND INSTITUTIONS

Report by the Chairman of the
Commonwealth Tertiary Education Commission,
Mr H.R. Hudson

March 1985

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Dear Minister,

In accordance with the Government's request in its Guidelines for the 1985-87 Triennium, I have reviewed the structure of CTEC and relationships with the States, and present my report to you. The report presents recommendations for action by the Commonwealth Government.

Commonwealth legislation will be required to effect many of the changes I have recommended. Given the considerable uncertainty which can be generated within a system as complex as tertiary education by changes of this kind, I urge that the Government give the earliest possible consideration to the proposed changes, and if it agrees, introduce them with effect from 1 July 1985.

I reiterate my belief that the changes proposed are crucial to the Government's achievement of its objectives in tertiary education.

Yours sincerely,

HUGH HUDSON

Senator the Hon. Susan Ryan,
Minister for Education,
Parliament House,
CANBERRA ACT 2600
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INTRODUCTION

Tertiary education has been subject to a large number of long reports in recent years. In contrast this report has been kept relatively brief and the necessary detail and supporting material is provided by way of appendices.

I consider that early action should be taken to effect the recommended changes. These changes affect both the operations of the Commonwealth Tertiary Education Commission (CTEC) and its relationships with the States, and should be introduced without delay. They are crucial not only for the efficient functioning of the Commission but to the achievement of the Commonwealth Government's objectives in tertiary education. The Commonwealth Government's objectives of increased participation and greater equity will be difficult to achieve through the present complex and cumbersome system of tertiary education administration. A much greater degree of inter-sectoral co-operation and co-ordination is required than has been the case in the past or is possible through the existing quagmire of authorities and consultations.

The Australian system of tertiary education administration and co-ordination has been described as the most complex in the world (as Professor David Caro has pointed out "... there is no other country ... which has invented such an involved co-ordinating and advisory apparatus ..."). I believe that it needs a thorough overhaul. My report therefore represents a complete package of measures to improve and simplify the system.

It is assumed throughout that the continued independence of the Commission is not in question. This independence is assured by the requirement that the Commission's advice be published and no change is proposed to this requirement.

I should hasten to add that this special (and limited) degree of independence to the Commission as a government statutory authority does not mean that the Commission exists in a vacuum. As much as any government authority, it is subject to general government policies and procedures (and unfortunately, from time to time, economy measures). Independence has never been taken to mean that the Commission should simply recommend what it feels like, regardless of overriding government policies: such independence would quickly become irrelevance.

My report covers both the main areas of action required, and the detailed proposals for implementation to carry them through. The main recommendations for change are set out in Chapter 3. A summary of the recommendations is provided after Chapter 4.
CHAPTER 1: FRAMEWORK FOR THE REVIEW

GENESIS OF THE REVIEW

1.1 The immediate event prompting the Government to seek this review of the CTEC was its formulation of the Guidelines for the 1985-87 triennium. In determining the Guidelines, the Government had before it five volumes from the Commission and its three Councils amounting to more than 1,000 pages of advice. The Commission's report amounted to 170 pages plus 150 pages of Appendices. The Councils' advice amounted to some 700 pages. The proposals of the Councils would have increased expenditures on tertiary education in 1985 by some $355 million or 16 per cent (estimated December 1983 cost levels); the recommendations of the Commission would have increased them by $158 million or 7.1 per cent; in fact the Government provided some $65 million or 2.9 per cent, emphasising the difficult economic and budgetary circumstances in which the country was placed. The increase of 2.9 per cent was considerably greater than any other since the CTEC was formed, yet there was extensive protest from the academic community at its alleged inadequacy.

1.2 While the Guidelines were based essentially on the Commission's Volume 1 Report, the Government has sought further advice on some major issues raised by the Commission and raised other issues not addressed in Volume 1 which require a further report early in 1985. One reason for the 'unfinished business' in Volume 1 is the need for the Commission to consult other Government agencies on a range of proposals put forward in the Report. More importantly, however, the complicated structure and processes of Commission and Councils, resulting in the detailed reports presented, made it difficult for the Government to make decisions on such a wide range of issues and to reconcile conflicting views. Hence the statement in the Guidelines: "the Government sees some disadvantages in the complexities of the CTEC's structure and requests ... a report on options for organisational changes in the structure of the Commission and on arrangements for co-ordination and consultation with States and institutions with particular attention to reducing the costs and complexities of existing arrangements".

1.3 These existing arrangements in terms of structure, embodied in the Commonwealth Tertiary Education Commission Act, were determined by the Parliament in 1977. In terms of processes, part of the existing arrangements were initially determined by Commonwealth and State Ministers meeting as the Australian Education Council in 1979. The aspects of the arrangements which particularly reflect the complexities of the system, and which have been the subject of this review, are the two-tier structure of Commission and Councils; relationships and processes of consultation between the Commission, Councils, State authorities and institutions; the triennial planning and reporting process; and the procedures for consideration of new teaching developments.
1.4 My review follows a number of previous attempts to come to grips with the complexities of tertiary education administration in Australia. The history is set out in Appendix 2; what follows is an abbreviated perspective on the historical background. The CTEC itself was only set up some time after the Government acknowledged the need to co-ordinate the development of higher education, following considerable investigation and, I believe, some disputation. A panel, comprising Mr K N Jones, Professor P H Karmel and Mr T B Swanson, was set up in 1975 to advise on arrangements for amalgamation and recommended a merger of university and advanced education advisory machinery, but it was not until 1977 that the Government decided to establish a Commission which also included technical and further education (TAFE).

1.5 There was a good deal of hesitation and uncertainty about the inclusion of TAFE in the new co-ordinating Commission. The Technical and Further Education Commission had not been in existence for long at that stage, and the decision to create a Tertiary Education Commission including TAFE involved a redefinition of the concept of tertiary education to encompass programs for students who had not necessarily completed a full secondary education or its equivalent. The structure and organisation of the Commission's secretariat (the Office of the Commission) were approved by the Public Service Board in 1977 to reflect the respective statutory roles of the Commission and three Councils. The Board expressed reservations about the complexity of the structure and sought a review of the Office after 12 months - a review which was not carried out.

1.6 The Committee of Inquiry into Education and Training (Williams Committee), reporting in 1979, upheld the sectoral divisions of tertiary education and the responsibilities of the States in tertiary education. The Committee saw, however, that the existence of three statutory Councils could become an increasing barrier to effective working relations between the Commonwealth and States and recommended a review of the structure of the Commission if its proposals for new relations between the Commonwealth and the State post-secondary authorities were adopted. In the event, the Williams Committee proposals for new arrangements were not implemented and the contingent review was not carried out as proposed.

1.7 An inquiry by the Joint Parliamentary Committee of Public Accounts into the system of funding tertiary education in 1979 raised a series of questions about the relationships among the various State and Commonwealth bodies with tertiary education responsibilities and about the functioning of the Commission and its Councils. This inquiry, to which the Commission responded in considerable detail, lapsed with the proroguing of Parliament in 1980. At the request of the then Minister, Mr Fife, the Commission itself carried out a review in 1981. No changes were proposed to the basic structure of the Commission or Councils as a result of that review (although the Commission took the somewhat unusual, but necessary, step of enhancing the responsibilities of its Management Group).
1.8 The co-ordination of tertiary education funding mechanisms has therefore been the subject of much debate over more than a decade, a period which has seen considerable change. Whereas the rationale for most earlier decisions on structure has been the need to preserve distinctive sectoral characteristics in an evolving system, my review has been undertaken against a different background:

1. the present processes and administrative procedures have been in operation long enough to be tested;

2. the Government's objectives of increased participation and greater equity in the tertiary education system have been clearly stated, and to achieve them, cross-sectoral co-operation and co-ordination are necessary;

3. the original sectoral divisions have been blurred by the incorporation of former CAEs in universities, by TAFE institutions offering advanced education courses, and by the development of higher degree courses in the advanced education sector;

4. the interests of students require greater cross-sectoral mobility.

1.9 My emphasis on cross-sectoral co-operation and mobility is entirely compatible with the maintenance of distinct sectors of tertiary education provision. While there is considerable diversity within each sector, each has distinctive characteristics which distinguish it from the others - the universities' commitment to teaching-and-research, the CAEs' emphasis on teaching and TAFE's emphasis on vocational education. However, this report is not about the structure of the sectors - this is the subject of a separate review through the Australian Education Council. Given the existing framework, I consider that much greater co-operation and mutual support among institutions is necessary to meet the needs of students and the community; the structure of the Commission should facilitate such developments, rather than impede them.

PROCEDURES

1.10 While I take full responsibility for the conclusions of this review, they have not been reached in isolation. The outcome of the previous reviews just mentioned and the views of a wide range of people have influenced my conclusions. In addition to this, I engaged in a process of formal consultation preceding the preparation of this report and was impressed by the thoughtfulness and originality of most responses to the review. In October, possible changes to the structure and functioning of the Commission were discussed by the full-time Commissioners and Chairmen of State co-ordinating authorities at the regular CTEC/States Consultative Meeting. The review was also a major subject
of discussion at a two-day joint Commission/Council seminar held in November.

1.11 My formal invitation to State authorities, institutions and tertiary education unions to submit their views elicited a large number of submissions and a wide range of responses (my invitation and list of submissions appear at Appendix 1). I specifically sought comment on four aspects of the present arrangements:

- a revised structure which might provide for more unified arrangements and the promotion of cross-sectoral co-operation and co-ordination;
- relationships between the Commission and States and institutions;
- triennial planning processes; and
- the procedures for the consideration of new teaching developments.

THE SUBMISSIONS

1.12 Structure of CTEC. There was certainly a degree of unanimity in the responses in acknowledging the difficulties and complexities of present arrangements. While there were some strong defences of the present structure of a co-ordinating Commission and specialised statutory Councils, mainly on the basis of a perceived need to have informed and expert advice on behalf of each sector available to the Commonwealth, the majority of submissions could accept the creation of a unitary Commission provided there remained a mechanism for presenting expert advice on the sectors to the Commission. The basis for the majority view - that change was needed - was the conclusion that the extra "layer" of Councils was the cause of much of the complexity of the present system. The device most commonly proposed for achieving this end was the creation of advisory groups within the CTEC representing the sectors. An alternative suggestion was that sectoral representation could be achieved by the appointment of Commission members with special expertise.

1.13 There were several submissions which proposed the establishment of a single Higher Education Council and a separate Council for TAFE. The more common view, however, was that universities and CAEs are sufficiently different to require separate treatment and representation. TAFE was generally considered to be separate and different, and therefore to require distinctive arrangements.

1.14 Regardless of the approach taken to the structure of the Commission, the submissions almost in total supported the creation of an integrated secretariat organised on functional lines. Within such a system, the need for an identifiable sectoral point of contact was noted.
1.15 **Relationships with States and institutions.** In my letter inviting submissions, I put the view that the Commission should be able to rely on a single statement of the views of each State which reflected the views of the Government concerned, covered all three sectors, and took account of State budgetary and planning priorities. The purpose of this proposal was to avoid "ambit bids" which, in my view, are encouraged by a system in which States, having no financial responsibility for higher education, find it relatively easy to support quite ambitious claims by institutions and where Councils tend to see themselves as advocates of the interests of States and institutions. There was some reaction in the submissions against the charge that ambit bids were made. The effects of the existing arrangements are well illustrated, however, by the bids of States and institutions and Councils for the 1985-87 triennium. While it is not possible to provide exact figures for the total bids of States and institutions (as some were unquantifiable!), the general approach of State authorities was to support the bids of institutions, without ranking them according to priorities; the approach of the higher education Councils was to support the State proposals, but in addition, to seek to overcome deficiencies in provision, either immediately or in a short time. This process resulted in the recommendations of Councils for increased expenditure of 16 per cent for 1985 referred to earlier - a figure which was well outside the realms of any practical possibility.

1.16 Most submissions expressed support for an effective co-ordinating role for State authorities, but there was a general desire to limit the involvement of the State to co-ordination of priorities and developments. The importance of the Commonwealth body exercising its responsibilities in relation to a *national* system of higher education was a recurring theme. The weight of feeling from universities was against the intrusion of State authorities in their affairs and in favour of general policy and planning responsibilities remaining with the Commission.

1.17 On the question of relationships between the Commission and institutions, universities tended to emphasise the importance of universities having direct access to the Commission and the value of visits by the Commission to universities. Some submissions also saw a similar status for large CAEs in their relations with the Commission, arguing that on the basis of their size and standing, large multi-purpose CAEs should have direct access to the Commission and be treated in the same way as universities.

1.18 **Triennial planning processes.** I also canvassed in my letter the possibility of streamlining the process of triennial submissions and reporting. The responses unanimously supported this suggestion and generally favoured a process which would allow a shorter lead time in the planning cycle, with institutions and States responding to possible options and planning guidelines laid down by the Commission. While public reporting on the needs of each sector was considered important, this was not necessarily perceived as the lengthy or detailed process that it is now.
1.19 **New teaching developments.** Few submissions commented in detail on the procedures for consideration of new teaching developments. There was, however, general agreement that this was primarily a State or institutional responsibility and that the Commission's involvement in these procedures should be limited to major new developments.

1.20 A major theme in my review on which I sought views is the need to promote cross-sectoral co-operation and co-ordination. The mechanisms suggested in submissions for achieving this end ranged from reorganisation of the Commission secretariat and more frequent use of Commission/Council working parties to cross-representation of Commission and Council membership. It was disappointing that little attention was given in submissions to this aspect of the review. I see this as an indication of the difficulties of achieving increased co-operation and rationalisation of effort in a system which, by its very organisation and differential treatment of institutions, encourages strong sectoral identities. While I am certainly not against such identification, it should not be at the expense of co-operation.
CHAPTER 2: THE NEED FOR CHANGE

STRUCTURE OF THE CTEC

2.1 In approaching the review emphasis has been placed on the Government's request that I should report "with particular attention to reducing the cost and complexities of existing arrangements". That is, the Government itself has already judged the CTEC structure and system to be too complex ("the Government sees some disadvantage in the complexities of the CTEC's structure") and is looking for change and improvement.

2.2 The disadvantages of the existing structure have been clearly demonstrated even in the relatively short period that I have been Chairman. In the following sections the main problems which result from the present structure and system are set out, indicating the direction of changes needed to overcome these difficulties.

2.3 Voluminous reports. First, the structure gives rise to an inordinate amount of paper and report-writing. I have already referred to the huge amount of advice prepared for Volume 1 and to the impact, or lack of impact, at least in financial terms, of much of that advice. It is my assessment that, far from persuading Government of the need for more resources for tertiary education, such 'over-kill' - reports from four statutory bodies in the one area of government - has been counter-productive. There is too much to read and absorb in a relatively short time. The reports tend to be put aside and the Government can too easily make its decisions mainly with attention to the financial parameters. Such a process neither helps the Government take sound educational decisions nor does it help tertiary education. I have therefore looked for changes which will reduce the amount of report-writing and enable the Commission to give greater attention to such matters as longer-term planning, inter-sectoral developments and accountability. Much of the material prepared by the Councils has been for consumption within the sectors, and is not an integral part of funding recommendations. For the future, I would expect the Councils or their successors to be clearly advisory to the Commission without being required to exercise a specific statutory role, apart from continuing the requirement for the publication of the Volume 1 report of each Council.

2.4 Duplication of effort. The structure also produces considerable duplication of effort. In a sense, everything needs to be done twice: each Council makes an assessment of funding and then the Commission reviews it. In practice, most of the day-to-day work is done in the Office, within separate Commission and Council branches. Not only does this system produce duplication and pressures within the Office but it causes considerable time delays. Under the existing structure, the timetable for the production of a Volume 2 report is virtually impossible: with the recent
Volume 2, the Commission was producing its report before the Councils had finished theirs. Most of the work required was of a professional/technical kind — assessments of funding levels — and the requirement that Councils produce published reports on such matters simply added unnecessary delays and costs to the process. By the Volume 2 stage, the Government has already laid down the financial and educational parameters, and the Commission's job is largely to translate these into State and institutional recommendations.

2.5 In effect, the Councils, and to some extent, the Commission, have been used for the wrong purposes. The greatest contribution the part-time members can make is in the area of planning and development of policy rather than on matters of detailed administration and funding which are frequently put before them. I will be proposing a revised structure which makes for a better division of responsibilities between full-time and part-time members and gives part-time members a more appropriate and, I believe, more effective role in the system.

2.6 **Ambit bids.** I am convinced that the structure encourages unrealistic expectations or the 'ambit claim' mentality. The facts of the bids versus the outcomes have been referred to earlier (paragraph 1.15). The use of the term 'ambit claim' has not been appreciated by some but in my view, realistically describes the process. For example, one of the respondents to my letter of 15 October, who denied that the term was appropriate, had identified building needs of $100 million for his institution alone for the 1985-87 triennium (compared to a total higher education capital program for the three years of $194 million — some 20 per cent above the previous triennium).

2.7 State authorities have no financial responsibility for higher education, so they find it relatively easy to support the sometimes unrealistic claims of the institutions. Their priorities between sectors and institutions are often determined on other than educational grounds. For their part, the Councils are enjoined, under the CTEC Act, to consult with States and institutions, and tend to see themselves as advocating their interests. Hence even the Councils, which are much closer to Commonwealth budgetary realities, have collectively put in ambitious bids which were clearly well beyond budgetary parameters and guidelines — leaving it to the Commission to make judgements about intersectoral priorities amid accusations that it has lost its independence. I would only want to add that the sort of independence advocated by some — uncritical acceptance and advocacy of the bids — would serve no useful purpose, and would lead ultimately to the establishment of another government group to provide advice to the Government.

2.8 The structure should be changed to reduce the amount of unrealistic bidding (assuming that it cannot be eliminated entirely) and to require those involved in the system to indicate specifically their priorities. In the longer term such changes should induce a more realistic attitude on the
part of the education community to resource limitations and resource usage. If States are unwilling to indicate priorities, it is inevitable that the CTEC will form its own independent judgement.

2.9 **Functioning of Secretariat.** The Commission/Council structure is mirrored in the organisation of the Secretariat. In effect, the Office has been four secretariats rather than one, with each full-time Commissioner, and indirectly his Council, running a sectoral branch. This arrangement has fragmented efforts with the result that, to quote a former Chairman of the Commission, "the secretariat's loyalties are divided". Given the consensus which exists in favour of a more unified secretariat, and to provide more efficient support to both the Commission and Councils, within my powers as Chairman (and "permanent head"), the Office is being reorganised on more functional lines. This functional arrangement will still provide for sectoral expertise to be maintained in appropriate areas and will also maintain a high level of secretariat support to the Councils and full-time Commissioners.

2.10 **Remoteness of Commission.** I have found the Commission to be too remote from the institutions and an understanding of their day-to-day operations and pressures. In addition, the Commission's relationships with State authorities have not been clearly enough defined, with some State authorities needing to consult with both the Commission and Councils on the same issues. This again is a consequence of the structure: under the CTEC Act the Councils have responsibility for contact with sectors and institutions and for visiting institutions. While the Commission could institute its own program of visits and consultations, it would, under present circumstances, duplicate the Councils' programs and cause confusion in the system (leading institutions to question the role of the Commission vis-a-vis the Council). I will be aiming, in a revised structure, to include sectoral expertise in the Commission itself and to introduce procedures for closer Commission contact with State authorities and institutions.

2.11 **Intersectoral developments.** Finally, and of prime importance, the effect of the existing structure and the accumulated impact of all the above disadvantages is that the Commission has devoted insufficient time and attention to fostering intersectoral developments and co-ordination. One of the key tasks of the Commission is to determine priorities and to break down those sectoral barriers which inhibit access to courses, the progress of students and lead to a number of inefficiencies. Without such a charter it would have been possible simply to retain the former sectoral Commissions and leave the Department of Education to sort out funding priorities. In such a situation however, the chances of Australia developing an effective tertiary education system which provides a continuum of opportunities across the sectors, would be very slender indeed. As a first step towards developing a more effective tertiary education system, Australia needs a more effective CTEC.
2.12 I do not suggest that the Commission has been inactive in the area of fostering inter-sectoral co-operation and co-ordination. However, it has tended to focus on higher education and within higher education, on advanced education. It has the considerable achievement, in difficult circumstances, of consolidating the advanced education sector: the reduced number of institutions and increased diversity of institutions in that sector underpin the Commission's strategies for increased participation and greater equity in higher education. But, because of the structure, and the need to seek Council advice on virtually every matter, the Commission has been seen as reactive. Even where it has initiated policy - in the priority it has given to outer metropolitan areas, for example, - it has been reliant on Council support and advice for policy implementation.

2.13 This basically sectoral approach has meant that the Commission and Councils have tended to neglect the most important areas of all in terms of increased access and equity: the links between TAFE and higher, and more particularly advanced, education. In terms of increasing participation for young people in areas of vocational relevance, the development of links between TAFE and advanced education are particularly important, yet very little has been done to build sectoral bridges. I believe that this situation is now changing - because of the Government's determination to achieve increased participation and greater equity and because of the Commission's commitment to these objectives. The Commission and its staff are actively fostering a number of initiatives to achieve closer inter-sectoral co-operation in outer metropolitan areas, especially in Sydney and Melbourne where very large socially and economically disadvantaged populations have limited access to tertiary education. Part of the answer in such areas is clearly to provide more facilities. Yet much can be done in the short term to build on existing facilities and courses, in ways which provide for easier movement between institutions and courses, and to combine resources in related areas.

2.14 The existing structure and processes not only do not encourage such developments, they actually inhibit them. An example is the area of middle-level technician type training providing associate diplomas in advanced education and advanced certificates in TAFE. This area has been a battleground between the advanced education and TAFE sectors ever since the formation of the Commission, with each sector seeking to defend its bailiwick. The Commission has taken a most detailed interest in new advanced education courses at this level (which it totally funds) but virtually none in new TAFE courses (for which it has no direct funding responsibility). The concentration on sectoral boundaries saps energies, causes disputation and achieves very little in terms of identifiable benefits to the community or to students. To provide for a more positive and co-ordinated approach to inter-sectoral developments, I will be proposing amendments to the Commission's charter and new arrangements for recognition of co-operative arrangements among institutions. The general issue of course developments is taken up in a later section of this report.
2.15 **Need for legislative change.** The question of whether these difficulties point to the need for changes in structure or whether they could be overcome by changes in approach or working procedures has been considered carefully. I have concluded that the necessary changes could not be accomplished without the need for basic reforms and amending legislation. The current arrangements deriving from the CTEC Act lay down otherwise: Councils have a statutory requirement to provide advice and the Commission is required to consider and publish it. The Act also imposes a corporate responsibility on Councils which requires part-time members to give considerable time and attention to matters of detailed administration. Over time, most detailed matters have in practice been delegated to the full-time members of Management Group (the Chairman and full-time Commissioners) for decision. But some matters of detailed administration still remain with Councils: a good example is the Advanced Education Council's consideration of new course developments. Because of the major demands on Commission and Council staff time caused by the current arrangements for consideration of new course developments, the matter has been given detailed attention in this review.

2.16 A further reason for seeking legislative change is that many entrenched attitudes need to be changed and new legislation is a powerful force towards this end. However, the change is one of emphasis because the encouragement of cross-sectoral approaches does not require the abolition of the sectors, or even that they be dramatically changed.

2.17 While the above treatment sets out the perceived disadvantages of the existing arrangements, it would not be proper to overlook the benefits which have derived from the present system. The existing arrangements have fostered a strong sectoral identity, with each Council providing close contact with its sector and leadership of it. This has been especially important for TAFE, still seen by some as the Cinderella of tertiary education and somewhat threatened by higher education interests. The contribution of the Councils over the seven years of their existence should not be underestimated. Bodies such as the Councils will continue to be important in providing leadership and new directions in their sectors and in identifying major gaps and deficiencies in provision, acting on behalf of the Commission. In the formation of the Commission, the "creative tensions" which were inherent in the structure were acknowledged and considered to be positive forces. However, it is now necessary to recognise that the system has been able to work as effectively as it has mainly because of the goodwill of those involved, and despite the tensions.

2.18 My approach therefore has been to identify and retain the best features of the present structure and to marry these with the changes necessary to ensure that the Commission can operate effectively and economically.
RELATIONSHIPS WITH THE STATES

2.19 The major concern expressed during my inquiry about the current arrangements for advice from and consultations with the States is that they are too complex. As indicated earlier, the arrangements referred to were agreed upon by the Australian Education Council, and endorsed by the Commonwealth and State Governments in 1979, following a report from a joint Commonwealth/State Working Group which was set up to consider recommendations of the Williams Committee. These arrangements are embodied in a series of agreements covering triennial planning; consultations; funding of advanced education; and new teaching developments. They were set out in detail at paragraphs 1.13 to 1.19 of the Commission's Volume 1 Report for 1982-84 Triennium in February 1981.

2.20 In large measure, the complexity of these arrangements flows from the structure of Commonwealth and State machinery. It is not necessary to canvas State structures in detail to be aware that, in no State is there a co-ordinating body which brings all three sectors together in a unitary structure. Victoria, South Australia and Western Australia all have over-arching authorities for tertiary education but, in each case, their activities are concentrated on advanced education. On the other hand, Queensland has no over-arching State co-ordinating authority for tertiary education (although it has recently established a Post-school and Services Division within its Department of Education).

2.21 It is not within the scope of this report to comment on the arrangements made at the State level. It is perhaps sufficient to say that, notwithstanding the absence of any financial responsibility for higher education, States need some co-ordinating mechanism to identify their priorities in tertiary education as a whole and to promote co-operation and co-ordination. For its part, the Commission is bound to pay considerable attention to State advice and knowledge of local factors and community needs, so long as priorities are clearly stated and within the bounds of economic reality.

2.22 What does appear to go wrong in our present system is the excessive amount of consultation and, on occasion, the requirement for consultation to be seen as providing a veto where the Commonwealth and States differ. It is important to devise consultative arrangements which do not produce a result which is the 'lowest common denominator', that is, where all that can be implemented is the minimal arrangement to which everybody can agree.

2.23 The complexities of the consultative process between the Commonwealth and States are reflected in the arrangements which govern the consideration of new teaching developments. The arrangements now in force are set out in detail in Appendix 2. They involve the Commission in detailed consideration of advanced education courses mainly at the interface between advanced education and universities (masters degrees) and between advanced education and TAFE (all UG3 level courses).
2.24 This process of 'course consideration' at the Commonwealth level follows on in most cases from intensive assessment and accreditation procedures within institutions and States. At State level, there are now strong moves towards devolving responsibility for assessment and accreditation of advanced education courses to institutions themselves, within agreed State procedures. After accreditation, advanced education courses are submitted for registration by the Australian Council on Awards in Advanced Education. There is no formal link between this process and the Commission's consideration of new teaching developments.

2.25 The Commission has devolved responsibility for the task of considering proposals for new teaching developments to its Management Group. In practice, the agreed arrangements have required Management Group and the Commission and Council secretariats to devote considerable resources to assessing individual course proposals, particularly in relation to intersectoral implications. The main area of contention in those new teaching development proposals that have come before Management Group has been the interface between advanced education and TAFE in the provision of middle-level courses. The Commission has previously attempted to ensure that courses offered as advanced education courses are indeed higher education programs and that they do not duplicate local TAFE offerings. There has also been some concern that States should not be encouraged to upgrade unnecessarily certificate courses to associate diploma status to secure full Commonwealth funding.

2.26 Experience with the present system has not shown it to be particularly effective. While the Commission has at times referred proposals back to State authorities for clarification or with some reservations, at no stage has it declared a particular proposal to be not approved. In considering proposals in detail, the Commission is in large measure duplicating the work of the State authorities. Some of the time and resources devoted to the consideration of individual course proposals could be better spent pursuing the general objectives of the Government and Commission for the tertiary education system as a whole, and I will therefore be proposing changes to the arrangements in the next chapter.

2.27 In addition, in the next chapter, proposals for change are put forward in three other respects involving consultation with the States: in the consultative processes between the Commonwealth and States; in the consultation arrangements between the Commission and institutions; and in the funding of advanced education.
COSTS OF COMMISSION OPERATION

2.28 The Government's request to review the structure and relationships made special mention of reducing costs. The costs, direct and indirect, of operating the existing structure and processes are considerable. The cost of the Office is $3.145 million comprising the salaries and allowances (excluding travelling allowance) estimated to be paid to the 110 equivalent full-time staff of the Commission during the 1984/85 financial year. The staff can be divided approximately between the Commission and Councils as about 30 full-time equivalent staff working directly for the Commission, about 44 working directly for the Councils and about 36 who work both for the Commission and Councils providing support services and so on. With the salaries and allowances payable to the Chairman and the full-time Commissioners (other than travelling allowance), the total salaries and allowance cost of conducting the Commission in Canberra in 1984/85 is estimated at $3.435 million.

2.29 In addition to the salaries and allowances payable to the full-time Commissioners and the secretariat, additional costs are incurred in operating the Commission/Council structure. These costs include payments to the part-time members of Commission and Councils which are estimated at $186,000 in 1984/85, of which approximately $34,000 or 18 per cent is in respect of the part-time Commissioners. Total travel costs of the Commission, Councils and secretariat are estimated at $350,900 for 1984/85, of which approximately $102,000 is directly related to travel associated with consultations and visits to institutions by the Councils and the Commission, approximately $108,000 for meetings by the Councils and $36,000 for Commission meetings, the balance of the travel funds being expended on travel undertaken by the secretariat. A considerable proportion of this travel is also associated with consultations and visits to institutions by the Councils.

2.30 I have looked closely at the scope for economies. The functional reorganisation of the Office will reduce apparent duplication of effort and release some resources for areas which are currently under-provided (especially in the areas of equity and cross-sectoral initiatives). Even with these changes, the Commission's Office is likely to be fully stretched in sustaining the various new initiatives which have been supported by the Government. At the same time, there is scope for reduction of the particular costs associated with operating the Commission/ Council structure.

2.31 Only some of the costs of operating the existing structure and system show up in the above analysis. There are two other kinds of costs which need to be taken into account. The first is the administrative costs carried by State co-ordinating authorities and tertiary institutions. The costs of State authorities are shown in their annual reports; the latest reports available to the Commission suggest that the combined costs of the authorities are
currently of the order of $7 million. This figure may indeed 
understate some of the overheads. An assessment of the 
administrative costs carried by the institutions, which 
relates to their involvement in the total system of tertiary 
education administration, is much more difficult, if not 
impossible. I refer, for example, to the activities of the 
institutions in the statistical area: they prepare many 
statistics which are used by the Commission but they are 
(generally) also available for public use and are quite often 
necessary for their own internal administration. Given these 
complexities no assessment has been made of the administrative 
overheads carried by the institutions: it is sufficient to 
say that they are very considerable indeed, and with emphasis 
on new policies, both of the Commission and of Governments, 
are continuing to grow.

2.32 The second kind of hidden cost is the cost of the 
extensive consultation which goes on within the system on any 
matter. I subsequently deal with ways of reducing the amount 
of consultation - mainly by reducing the number of layers. 
Again, however, the current situation is so complex that I 
cannot put an exact cost on it: suffice it to say that the 
cost runs into millions of dollars. If at first sight this 
appears exaggerated, one only needs to think of the great cost 
involved in eight State and Territory authorities preparing 
innumerable submissions and bids, 19 universities, 45 CAEs 
and eight State and Territory TAFE authorities preparing their 
various submissions and bids, the internal work involved for 
each organisation, the amount of staff time, internally and 
externally, the consultation and toing-and-froing between 
institutions and authorities. In one State alone during 1984 
it was suggested that the assessment of and consultation on 
proposed grants cost in the order of $1 million. I cannot 
believe that all of this work is justified in terms of 
outcomes and I urge all those involved in the operation of the 
system to review critically the need for these elaborate 
processes. I can, and will, make proposals subsequently for 
the simplification of the processes at the Canberra end but 
this can only cure part of the disease. State authorities and 
institutions also need to review their processes for 
preparation of proposals and consultation to see whether some 
of the committee and paper work can be eliminated or reduced. 
The administrators in the system, who are, after all, paid to 
take responsibility, need to take a tougher attitude on 
assessing priorities.
CHAPTER 3: PROPOSALS FOR CHANGE

STRUCTURE OF THE CTEC

3.1 On the basis of the findings set out in the previous chapter, I recommend that the CTEC should be reorganised as soon as practicable with the following changes:

(a) its charter should be extended to cover the promotion of inter-sectoral developments;

(b) its part-time membership should be increased from five to six, three being associated with the three sectors of tertiary education and three being broadly representative of community interests;

(c) the statutory Councils should become Advisory Councils with a membership of seven to eight (the TAFE Advisory Council may need to be slightly larger than the other two), including the appropriate full-time Commissioner and one part-time member from the Commission; the role of the Advisory Councils would be to advise the Commission as required together with a statutory requirement to publish a triennial report; and

(d) consequential changes should be made in the roles of the full-time and part-time members of the Commission and Councils.

3.2 The Office of the CTEC (the Secretariat) is in the process of being reorganised along functional lines, in order to secure greater effectiveness. The changes proposed in 3.1 will be facilitated by the internal reorganisation.

3.3 The changes proposed are needed without delay, to enhance the Commission's capacity to initiate inter-sectoral developments, to reduce the amount of unnecessary report writing and complexity of the structure, and to provide for more effective functioning of the Commission's secretariat. They will also reduce costs and release resources for other initiatives. The changes are elaborated below.

3.4 A new charter. I propose that the charter of the CTEC should be revised to give it the additional function of promoting inter-sectoral developments and co-operation. Under the present CTEC Act, the Commission is charged with the responsibilities of promoting the balanced development of tertiary education and the diversification of opportunities for tertiary education. While remaining valid, neither of these functions conveys a clear impression that one essential task of the CTEC is to foster inter-sectoral activities.

3.5 This change in the charter is important, as it underlies the Commission's greater emphasis on the outcomes of tertiary education for the student, especially those
students who suffer from any kind of disadvantage. "Balanced development" has too often in the past been interpreted to mean resolution of the competing claims of sectors and their institutions. To pursue the objectives of increased participation and greater equity the Commission will need to look across sectoral barriers, and provide for a much greater co-operation among institutions in all three sectors, both in terms of courses and use of facilities. A new charter will strengthen its hand in this respect.

3.6 **Part-time members.** The part-time members of the Commission are important in terms of the contribution they can make to policy, sectoral expertise, input of community views and as a 'sounding-board' for full-time members. However, given their other commitments and the need to determine matters expeditiously, part-time members cannot play a key role in administration. The CTEC Act originally placed administrative responsibilities with the Councils, on behalf of the Commission, but successive governments have progressively delegated most administrative responsibilities to the Chairman and full-time Commissioners, on the basis that they report their decisions to the Commission and Councils, as appropriate. The Commission itself decided in 1981 that the responsibilities of Management Group should be enhanced to enable the Commission to deal with urgent matters, in accordance with general policies, without having to call a meeting of the full Commission.

3.7 Against this background, the role of the part-time members in the revised CTEC structure needs clarification. The Chairman and the three other full-time members should be acknowledged as having executive responsibilities and part-time members should contribute to reviews of policy, consider new directions in policy and assist in matters related to their expertise. The new Commission should have six part-time members, three of whom should be associated with the sectors and would also sit on the appropriate sectoral Advisory Council. The remaining three should be broadly representative of community interest in tertiary education.

3.8 Equally, with the Advisory Councils, the part-time members should generally, but not exclusively, be chosen for their knowledge and expertise in tertiary education.

3.9 **Future of Councils.** The future of the three statutory Councils has been the most difficult issue in this review as it is an issue which arouses considerable feeling. I have encountered a defensiveness on the part of all three sectors in this respect but especially on the part of the university and TAFE sectors. The advanced education sector has been less defensive about maintaining the existing arrangements as, in truth, it has not seen itself as benefitting from them. The ACDP has indeed urged the merger of the Universities and Advanced Education Councils into a single higher education council. On the other hand, the AVCC has urged the retention of the Universities Council and State TAFE Directors have spoken up strongly for the retention of
the TAFE Council. The TAFE Council itself has taken a firm attitude in favour of its retention, arguing that it has been highly successful in its task of advocating TAFE's interests and that any difficulties in promoting inter-sectoral developments result from attitudes and policy rather than structure.

3.10 Possibilities for the future of the Councils range from complete abolition to a strengthening of their role. I have already acknowledged the success of Council activities in encouraging strong sectoral identification, in pressing the claims of their respective sectors and in general, keeping the Commission and Government on their toes. However, some of the claims made on behalf of the Councils have been exaggerated. The reality of the Councils' situation is that they have been strongly supported by the appointment of a full-time Commissioner exclusively to promote the Councils' interests and by the provision of substantial secretariat resources. In fact, as indicated in paragraph 2.28, the Councils collectively have more resources available to them than the Commission itself.

3.11 The structure of four statutory bodies within one was initially set up on trial. Experience with the system has shown the difficulties inherent in the structure and I have outlined these in the previous chapter. Very few issues in tertiary education can be considered to be single sector issues. Developments in one sector inevitably have implications for another sector, and the structure of the Commission should be designed to ensure that those are taken into account as a matter of course, not dependent on a complicated process of consultation. In addition, a structure which creates for many staff a feeling of being "the servant of two masters" is not conducive to effective performance. The play of that name by Carlo Goldoni in the tradition of the "commedia dell'arte" is highly amusing largely because of the inherent confusion of the basic situation. In the interests of efficiency, I consider that the structure of Commission and Councils should be revised as a matter of high priority - the confusion arising from the basic situation can be eliminated.

3.12 I propose that the statutory independent Councils should be replaced by Councils which would be advisory to the Commission only. Under this proposal, the Councils would concentrate on matters of planning and new directions in policy, with administration being the responsibility of the Commission's Executive and Office. The Commission should be empowered to delegate matters to the Advisory Councils for consideration. They would be required to produce for the Commission, in advance of its Volume 1 report, an assessment of the current state of their respective sectors, their needs and priorities, and proposals about the future directions for development. I envisage that this statement would be published by the Commission as part of its Volume 1 report to the Government on guidelines for a new triennium. Each statement should be prepared in the light of any general policies enunciated by the Commission and, to avoid
unrealistic bids, should not be expressed in the form of specific financial recommendations. In this way, I would hope to retain the best aspects of the operations of the Councils - their perspectives on needs, priorities and directions - without the Commission being required to react to shopping lists which cannot conceivably be fulfilled.

3.13 A corollary of the establishment of Advisory Councils would be much greater reliance by the Commission on specialist committees and joint working parties. Some important moves have already been made in this direction. In its recent Volume 2 report, the Commission proposed, and the Government accepted, the establishment of a Standing Committee on External Studies under Section 39 of the CTEC Act to undertake the promotion and co-ordination of external studies on behalf of the Commission. Steps are under way to establish this Committee. At the same time, the Commission is participating in the operations of a planning committee under the auspices of VPSEC to foster inter-sectoral co-operation in western Melbourne. The Commission has also proposed the establishment of joint Commonwealth/State working parties to consider future capital developments in Melbourne and to foster inter-sectoral co-operation in western and south western Sydney. I see working arrangements of this nature often providing an effective way for the Commission to pursue its policies, in co-operation with the States.

3.14 I considered two main options for carrying out the functions of the present statutory Councils - the establishment of Advisory Councils under the CTEC Act, with their functions and membership specified in the Act, or the creation of Standing Committees as agents of the Commission. The latter approach has the advantage that the Commission would function as a unified body, with sectoral and other expertise available to it through the Standing Committees. The creation of Advisory Councils under the Act on the other hand would have the advantage of giving the Councils a clear charter, under the aegis of the Commission, and a secure basis for their operations. While it may appear to continue the present structure under a different guise, I am convinced that altering the role of the Councils to advisory bodies under the aegis of the Commission will make a major contribution to the simplication of the operations of the Commission. It is also evident from the consultation process I have engaged in that the weight of opinion favours the retention of the Councils in some form.

3.15 My own view therefore favours the setting up under legislation of Advisory Councils which would operate on the basis of reporting to the Commission as required, with an obligation to prepare a triennial report in a publishable form dealing with sectoral matters other than financial recommendations. I consider that the CTEC Act can be modified in a way which would enable any Government to request implementation of policies without the need for major legislative change of the kind that is now necessary.
3.16 One issue concerning the future of the Councils has been whether there should be two sectoral Advisory Councils rather than three, that is, whether the universities and advanced education sectoral bodies should be combined into one Advisory Council on Higher Education. This proposal has some merit, given the commonality of teaching programs between universities and CAEs (some 70 per cent of their enrolments are in the same or similar disciplines, teaching at undergraduate levels) and the total Commonwealth funding responsibility for both sectors. I have however stopped short of recommending such an amalgamation for a number of reasons. First, it would combine two sectors which are each very large and with some distinctive characteristics. Notwithstanding the incorporation of advanced education work in some of the smaller universities, universities characteristically engage in research and teaching at honours level, neither of which is a fundamental characteristic of advanced education. Secondly, the binary policy which has existed in higher education since the Martin Report of 1964 still has merit as an organisational basis for higher education. While this policy does not prevent research being undertaken in colleges, they have not been encouraged to undertake research programs on the basis that these are the basic responsibility of the universities, and that they would add considerably to the colleges' costs. I share the Commission's expressed concern about the colleges losing their vocational education purpose. As an extension of this point, the creation of a single higher education body could be seen to have implications for the funding of colleges. They are now funded for teaching programs only, not for research. If they were to be funded generally for research, the cost would be considerable - in the order of at least another $100 million a year. The establishment of a single higher education body may tend to entrench the differences between the higher education institutions and TAFE, when, in fact, there is a great deal of commonality and shared ground especially between the diploma courses in advanced education and the higher certificates in TAFE.

3.17 In any event the Government's proposed increased tax rebate for research and development funding by industry of higher education institutions, will provide direct evidence of the research capabilities of colleges of advanced education. If particular colleges demonstrate effective research competence which is comparable to universities, then the arrangements for the funding of research through CTEC can be reconsidered. The provision of research funds must be performance-oriented and cannot be considered a matter of right for a particular class of institution, particularly if the boundary is not clear-cut.

3.18 In relation to the TAFE sector, I am mainly concerned to confirm the expanding role of TAFE, both in its own right and as a base for higher education programs. TAFE has become an integral part of the tertiary education system and has a central role in improving opportunities for a wide range of students. I am pleased to see that the Committee of Inquiry into Labour Market Programs (Kirby Committee) has recommended a change in the balance of youth labour market programs involving an enhanced role for TAFE.
ROLE OF FULL-TIME COMMISSIONERS

3.19 Following on from the proposed changes in the role of the Commission itself, the Councils and part-time membership of the Commission and Councils, I propose a number of changes in the role of the full-time Commissioners. They currently have the dual role of assisting the Commission and chairing the Councils. It is a role that is fraught with difficulties and inherent conflicts, especially when a Council takes a different view from that of the Commission. If the full-time Commissioners were not so willing to co-operate within the overall framework, the Commission's work would be seriously disrupted.

3.20 I propose that each full-time Commissioner should retain a particular sectoral brief, but should have a much broader role associated with the Commission's revised charter and Commission priorities. The Chairman and the three full-time Commissioners should continue to operate as Management Group with its current responsibilities, and, in addition, through more regular meetings, with responsibility for the determination of priorities in the use of Commission resources. I would expect, however, that in addition to their continuing responsibility for conducting relationships with State authorities and institutions in their respective sectors, and chairing the respective Advisory Councils, the three full-time Commissioners would also take on an expanded range of responsibilities. I will be asking the full-time Commissioners to take responsibility for various aspects of the Commission's work irrespective of sector, for example, building programs, research, participation and equity, statistics and joint Commonwealth/State working parties.

3.21 The effect of the proposed changes will be to substitute a wide range of functional responsibilities for the formal business of the existing Councils and to provide for greater flexibility in the use of full-time members for the Commission's purposes. The proposal maintains the existing prime responsibility of full-time members for relationships with the sectors, on behalf of the Commission. They would however no longer have exclusive responsibility for a sectoral branch of the Office. My reorganisation of the Office recognises this change and provides for a Sectoral Liaison Group within the Office which would serve as a contact point with each sector, as well as providing or arranging assistance to the full-time Commissioner concerned with that sector. Regular meetings of management will be used to solve quickly any difficulties which emerge.

RELATIONSHIPS WITH THE STATES

3.22 Consultation between Commonwealth and States.
The most important change needed in this respect is a means of gaining from States an indication of their priorities on a truly cross-sectoral basis, looking at all three areas of tertiary education. As it is now, the States mostly leave the task of priority setting to the Commission. I believe that,
for the future, the Commission should be able to expect that for each triennium, each State will produce a consolidated submission indicating its priorities across all three sectors. Such a submission may well include the proposals of the individual sectors or institutions but each State should indicate the priority which should be accorded to the various proposals. In this way, we will avoid the artificiality of the Commission in Canberra having to point out to States that the proposal for the development of institution X takes no account of the proposal for the development of institution Y which is being built across the road. This arrangement does not imply that a State's priorities will be automatically accepted - some priorities may not be cost effective, for example. However, it does mean that the Commission's assessment will be influenced by State priorities to a greater extent.

3.23 The timing of the triennial process, with States and institutions needing to prepare submissions so far in advance of the beginning of the triennium to enable all the processes of consultation and reporting to take place that information produced is out of date before it is made public, also needs to be altered. I propose to seek submissions from States and institutions no more than six months before the production of the Commission's Volume I advice so that advice and information is timely. In addition, States would be asked to indicate priorities at varying growth rates, and whether or not they saw the need to reallocate resources within an institution, among institutions, or between sectors.

3.24 Consultation with institutions. I have already indicated that the Commission needs to be far more closely involved with the development of individual major institutions in all three sectors, but especially universities and CAEs. My proposals for a revised structure and modus operandi for the Commission will be directed towards these ends. The effect of these proposals will be to vary the existing arrangements for consultation agreed by the Australian Education Council and make the Commission and its Office the initial and main point of contact with State authorities and institutions, with a capacity in the Commission to refer matters to its Advisory Councils or specialist committees as appropriate. It would continue to be appropriate, in my view, for universities, as national institutions, to relate directly to the Commission on day-to-day matters, informing State authorities in accordance with whatever arrangements are made to this effect within the State concerned. It would also be appropriate, in my view, for the Commission's relationship with State TAFE institutions to be generally conducted through State TAFE authorities, although, as I have indicated, the Commission should have a capacity to visit individual institutions to gain a better appreciation of their potential and their problems.

3.25 The existing arrangements for consultation (which were adopted when the number of CAEs was much greater) provide that the Advanced Education Council is to consult the State
authorities responsible for the co-ordination of advanced education and, as necessary, by arrangement with the State authority, individual colleges. The Commission has found it more convenient to correspond with eight State and Territorial authorities, rather than with a large number of individual colleges. I consider however that there should be some modification of this procedure to enable the Commission to relate, by arrangement with State authorities, directly to advanced education institutions where it wishes to encourage initiatives, particularly in view of the large reduction in the number of colleges. Examples of such initiatives relevant to the 1985-87 triennium include the promotion of equity measures and the development of facilities in outer metropolitan areas. Without the possibility of direct contact, the Commission will be operating at one stage removed, without sufficient appreciation of local factors. I do not see this as a major change as the colleges are autonomous institutions and have always approached the Commission directly on matters affecting their futures; after all, under current funding arrangements, the Commission is responsible for recommending virtually the whole of their budgets. Since becoming Chairman, I have met a large number of college principals who have come to Canberra on behalf of their colleges, legitimately in pursuit of their institutions' objectives. Close relationships must be fostered between CTEC and State co-ordinating authorities in a manner which is perceived and understood by institutions, without CTEC being required to appear as an extension (or agent) of the State authority. It is proposed to continue the regular twice-yearly consultative meetings between CTEC and the State co-ordinating authorities. These meetings provide a useful forum for the frank exchange of views.

3.26 Funding of advanced education. Equally, some modification is required of the existing arrangement regarding advice on funding of advanced education. The Australian Education Council agreement specified that: "As the development of individual colleges is largely a matter for the States in the light of co-ordinated State plans for advanced education, the Council will generally follow the recommendations made by the State authorities." Given the changes I will be proposing to the Commission's structure and procedures, these arrangements will also need to be varied. The Commission will need to consider, on an ongoing basis, the funding differentials between universities and CAEs. Furthermore, the funding needs of individual CAEs cannot be treated uniformly, particularly because of the extensive variations in institutional involvement in the more expensive technological courses. I would expect that the future Commission would continue to rely greatly on the recommendations and advice of the State authorities in this area, particularly if State priorities are clearly and publicly stated at an early stage.

3.27 The differences of opinion that have arisen in the past have been notable because they have been so few in number. For the 1982-84 triennium, the major disagreement between the Commission and State authorities was in respect
of the funding of certain institutions in Victoria and New South Wales; for the 1985-87 triennium, the major disagreement was with Victoria in respect of the funding of the Royal Melbourne Institute of Technology. In each case, the differences were the subject of considerable negotiation with the State authorities concerned. I expect to continue to work closely with State authorities in these matters, without having the false constraints that were placed on the Advanced Education Council in 1979.

NEW TEACHING DEVELOPMENTS

3.28 In the previous chapter, some of the difficulties in the current system for consideration of new teaching developments have been mentioned. Details of the system are outlined in Appendix 2; the arrangements are embodied in the States Grants (Tertiary Education Assistance) Act.

3.29 The issue of new courses or teaching developments in higher education has a long history. Until the provisions relating to new teaching developments were incorporated in the States Grants Act in 1979, the Commission had no formal power to intervene in new course developments at universities. It had always had the power not to support major new developments, such as new faculties, at universities through its controls over new buildings and major expenditures. On the other hand, the Commission inherited from the former Commission of Advanced Education a complex system of individual course approvals, which had its origin in the need to distinguish higher education (advanced education) courses from TAFE courses in those cases where CAEs were being developed from technical colleges. Whatever the origins of the present complex system, three things are clear to me:

(a) the Commonwealth Government should, through the Commission, oversee major academic developments in universities and CAEs; this is necessary, not only to avoid duplication and waste, but to ensure that quality and standards are maintained;

(b) there is widespread acceptance within the institutions of the notion that broad controls of this kind are necessary; they are not there to intrude on autonomy in academic matters but to protect the public interest; and

(c) States and institutions should be given, and accept, much more responsibility for making the system work; the present system shifts far too much of the detail to Canberra, with the risk that the Commonwealth will simply become bogged down in the detail.

The lesson of the past few years is that the Commission has neither the resources nor, in most cases, the expertise, to exercise detailed control over new teaching developments in higher education. Accepting the need for change, this is another situation where modifications of the existing system
are to be preferred to complete revision. I believe that the system can be improved for all concerned by modifications to the present procedures rather than wholesale rewriting of the Act.

3.30 The two types of developments which are of most concern to the Commission are those which have, or could have, significant educational or financial implications; and those which involve unnecessary duplication of effort.

3.31 Developments within the first category are likely to be of two kinds: the establishment of new courses or new faculties/schools, especially in the more expensive disciplines; and proposals for the lengthening or upgrading of courses. Major developments of the first kind are relatively easy to control - they necessarily involve major additional expenditures, often new buildings, and States/institutions are bound to identify them in their triennial submissions. There is no known case of an institution developing a major new faculty or school without Commission support, or confronting the Commission if that support has not been forthcoming. In this respect the current provisions appear to be adequate, and I envisage a continuation of the procedures with such developments being identified in the triennial context well ahead of the proposed time of implementation.

3.32 The developments which are most difficult to control, or sometimes to identify, are those which involve course lengthening and/or upgrading. A particular course development at a particular institution may not, on the face of it, have widespread repercussions, but, if repeated throughout the system, could be costly. A good example is the proposal which has been canvassed from time to time for the introduction of four-year training for all primary teachers. Such a change has considerable resource as well as educational implications, and an individual proposal cannot be considered without regard to its national implications.

3.33 Course lengthening and upgrading proposals are the most difficult to consider as they generally come to the Commission some time after they have been worked up by the institution and the professional body concerned and have already been accredited. In some cases, courses have been known to be up and running before the Commission is asked "not to disapprove them". The Commission is placed in a difficult, if not impossible situation, especially if it is given only limited time to raise any objection or seek some greater justification.

3.34 There is always considerable pressure within institutions and from professional and semi-professional organisations to lengthen and upgrade courses leading to a professional or vocational qualification. This pressure is a natural consequence of the desire of academic staff to upgrade the courses developed within any institution and of professional organisations to improve the status of their respective professions. However, there are potential problems
in that the upgrading of courses will normally involve additional resources, and may distort resource use and prevent other objectives being achieved. Further, the upgrading may not be consistent with community needs - the graduates from new upgraded courses may be, on average, over-qualified for the particular requirements of the community as a whole. Such proposals may well have elements of "restrictions on entry" designed to improve directly the rewards of those involved, or alternatively designed to strengthen the case for higher salaries awarded by arbitration tribunals.

3.35 There are a number of situations where institutions and/or States are approached separately by professional or vocational bodies. Success with one institution (or State) will create pressure on others to follow suit. The piecemeal decision-making ultimately leads to a diversion of resources which would not have occurred had the matter been considered on a national basis in the first instance. These developments become very serious in an environment where there are limited resources available for higher education, and particularly at present where the real resources per student in higher education have declined by approximately 10 per cent over the previous decade. Furthermore, methods of governance of tertiary institutions developed during the years of growth and rising standards, have often left institutions in a position of weakness when it comes to resisting upgrading propositions which involve the use of additional resources not available to the institution.

3.36 I propose new methods to deal with proposals for course lengthening and upgrading where the courses are a pre-requisite to professional or vocational qualifications. First, there would be a moratorium on further approvals while the Commission developed standard lengths and levels for the courses in question - existing variations from the standard would be subject to a "grandfather clause" and automatically maintain their approval for Commonwealth funding. Secondly, no further departure from the approved standard would be ratified without an assessment of the community's requirement for improved qualifications in the area in question, and of the additional resources necessary. The assessment would be organised through the Commission, with the use of independent assessors (as necessary) and the co-operation of the Australian Council on Tertiary Awards as appropriate. The process envisaged would not be an "enquiry" but an assessment of the material presented by the proponents of the change. It would be the responsibility of the proponents to satisfy the assessment panel. This aspect is vital if expensive "enquiries" are to be avoided.

3.37 In circumstances where the assessment panel concluded that the upgrading or lengthening were in the community's interest, approval could still be withheld if the resources required were not available, either from a reallocation of resources within the system or through additional funding from the Commonwealth. It should be made clear that the refusal of approval would not prevent a State
or institution from proceeding with the upgraded or lengthened course. It would only prevent the use of Commonwealth funds for parts of a course not approved by the Commission.

3.38 Other new teaching developments. The vast bulk of new teaching developments do not come into the categories of either changing the education profile of an institution or upgrading or lengthening courses. However, they occasionally cause serious problems because they involve the interface between universities and CAEs with masters degree proposals, or the interface between CAEs and TAFE with UG3 developments, or in a few cases because of suspicion about the lack of academic merit - "Mickey Mouse" proposals.

3.39 I propose new arrangements which should lead to a significantly greater effective delegation of power to the States and a lesser role for the Commission. It is recommended that the Commission be informed, as now, of new teaching developments (including only those currently required by legislation), but that the proposal be automatically approved for CTEC funding unless the Commission has informed the State co-ordinating authority and the institution (as appropriate) that the proposal is "called in" for Commission approval. The "call in" power would have to be exercised within three months of the Commission being informed officially of the proposal.

3.40 As indicated above, under existing arrangements Commission "refusal to approve" has not occurred, although a number of proposals have been referred back to enable further discussions and negotiations to occur, and some proposals have been dropped as a consequence. It is envisaged therefore that the "call in" power would be rarely exercised. I emphasise again that the range of new teaching developments affected would be only those covered by existing legislation. As a result my proposal involves an effective increase of responsibility for co-ordinating authorities and institutions, and a considerable reduction in unnecessary work within the Commission.

3.41 It is important to emphasise that the exercise of power, whether original or delegated, implies the right to make a mistake - indeed the consequences of mistakes are important inputs in any learning process. Furthermore, if all new courses are approved outside institutions it is difficult to expect institutions to make a rational determination of priorities. There is an argument for the proposed "call in" power to be adopted also by State co-ordinating authorities in their dealings with institutions. It is true that an institutional mistake may, for example, lead to resources being tied up by a new course when they are desperately needed elsewhere in the institution. However, that result should make it more difficult for the same kind of mistake to occur again.

3.42 This, however, brings out part of the fundamental problem with new teaching developments. In most cases, considerable planning and preparatory work is necessary - work
which must be carried out well before the course is introduced, or before the course outline is sufficiently detailed to submit for approval. In many cases the preparatory work must be carried out within an institution before there is definite knowledge that the resources required will be available. It is possible that in relation to courses that are clearly within the agreed education profile of an institution, that do not involve lengthening or upgrading or inter-sectoral boundaries, the Commission could introduce a system of "approvals-in-principle" which would allow institutional planning on a more secure basis on the understanding that institutional resource management would be within the student load boundaries set by the Commission's triennial funding. This potential arrangement will be discussed further with State co-ordinating authorities. At this stage, it is sufficient to note that the "call in" procedure proposed can allow for this kind of modification. The Commission would agree, simply, that a range of possible courses within a particular institution would not be called in for approval subject to agreed arrangements about length and standard of course, and on the understanding that it would be an institutional matter to determine when the availability of resources permitted the commencement of the course.

3.43 It is legitimate to ask: why bother even with a "call in" power? The answer is largely that the matters which do become questions of Commission policy - changes in education profile of an institution, questions of length and standard of professional and vocational courses, and questions of unnecessary duplication of effort when sectoral boundaries are crossed - are not always clear cut. Furthermore, the wholesale development of, say, masters degree programs in CAEs when the Commission's guidelines require priority for increased undergraduate intake, could produce an unwitting modification of those guidelines, and in that sense, a misallocation of resources. For the time being new masters degree courses in CAEs would remain a matter for Commission decision under existing procedures.

3.44 The Commission's need to be concerned with the problem of UG3 courses being transferred into the advanced education sector as a means of securing additional Commonwealth funding, is greatly reduced compared to the position some years ago. The limitations on higher education funding have bitten hard on State and institutional decision-making, and the Commission is clearly principally involved, in the higher education sector, in funding institutions for existing and prospective student loads. If the proportion of UG3 courses in CAEs were to rise in response to student demand, and this change were accommodated within the limits of planned student load, it is difficult to see why the Commission should "make a federal case of it".

3.45 The Commission is not an accrediting agency, and should not duplicate the accrediting functions of State authorities or the proposed new Australian Council on Tertiary Awards (which replaces ACAAE). Its involvement in
new teaching developments arises solely from its responsibilities for resource allocation and the need to secure a balanced and rational development of tertiary education. The Commission's responsibility can be secured by the modified procedures that are proposed above.

3.46 I recommend therefore that:

(i) Commission agreement continue to be required for changes in the education profile of any institution;

(ii) Commission agreement continue to be required specifically for any lengthening or upgrading of a course leading to a professional, semi-professional or vocational qualification; further, such proposals to be assessed on a national basis both in terms of the community's need for upgraded qualifications and the Australia-wide consequences for resource use in tertiary education;

(iii) Masters degree proposals in CAEs continue to be a matter for Commission agreement:

(iv) Remaining new teaching developments under existing legislation which currently require Commission agreement to be agreed automatically within three months of the Commission being informed officially of the proposal, unless the Commission has called in the proposal specifically for Commission decision; and

(v) the Commission investigate, together with the States and institutions, the introduction of a system of "approvals-in-principle" for new teaching developments which are within the education profile of an institution and which do not involve lengthening or upgrading of existing courses, either within the institution or elsewhere in Australia.

THE SECRETARIAT

3.47 Given the consensus that exists in favour of the reorganisation of the Commission's Office on functional lines, an appropriate reorganisation has commenced and is virtually finalised. Notwithstanding this, the Office needs strengthening to enable it to support more effectively the proposed new arrangements. This is essential in my view to meeting the challenging educational tasks already mapped out for the 1985-87 triennium and the future. I appreciate that, under the revised arrangements for the Public Service, these matters are ultimately for Government decision, after advice has been provided from the Public Service Board and the Department of Finance. I simply wish to emphasise the need for additional support and to note that the Commission's total costs as a percentage of grants administered is less than 0.2 per cent, surely one of the lowest, if not the lowest, in the Commonwealth Public Service.
4.1 In this chapter I deal with three issues which are germane to my report but, with one exception, do not produce immediate recommendations for action. These are, in order: institutes of tertiary education, tertiary education statistics and research funding. The one exception, in terms of immediate action recommendations, is tertiary education statistics: I propose the establishment of a National Tertiary Education Statistics Centre (NATESC), jointly funded by the Commonwealth, States and institutions, to take responsibility for the collection and development of national tertiary education statistics, including the current collections for universities, CAEs and TAFE. As this recommendation directly affects the States and institutions and requires contributions from them, it is separated out from my other recommendations. On the other two matters, some basic issues are raised for Government consideration, and further investigation proposed of aspects of them. In particular, early consideration should be given to the relocation of the Australian Research Grants Scheme (ARGS) with the Commission.

INSTITUTES OF TERTIARY EDUCATION

4.2 I have made considerable mention in this report of the need for change in the structure and operations of the Commission to promote inter-sectoral developments, especially in high priority areas such as the outer metropolitan areas and regional centres. I am in no doubt that far too little has been done, both at Commonwealth and State level, to foster inter-sectoral co-operation and co-ordination. Too little attention has been paid to the needs of students, especially those from disadvantaged backgrounds, and too much attention has been paid to the interests of institutions. Why should students who undertake a course in one institution or sector receive so little credit if they wish to transfer to another institution or sector? Why has there been so little contact between the sectors, especially those institutions which are located in the same areas? Why have many institutions, apparently, been so disinterested in developing closer links with their local schools? Why do we not see that the development of higher education courses in TAFE colleges in rural or regional centres can be a means of increasing access for country and isolated students?

4.3 I do not decry the need for maintenance of academic standards: it would be a false goal and outcome indeed, if standards were lowered so that those who come from disadvantaged backgrounds could get into the institutions and obtain degrees and diplomas. No one wants a second-class degree or diploma, least of all those who come from 'the wrong side of the tracks'! However, there is an enormous amount still to be done in opening up access and providing special assistance to the less advantaged students. The
greatest concentration of such students - those from lower socio-economic groups, females, those with ethnic backgrounds, young men and women with poor schooling and cultural backgrounds, Aborigines and migrants - are to be found in some regional centres and in the outer metropolitan areas of the capital cities, especially Sydney and Melbourne. The latter areas contain some 1-2 million and 400,000 people respectively, and comprise one of the initial areas of interest for the Commission's proposals to increase participation and equity.

4.4 The approach favoured by the Commission in the first instance is to build on existing institutions in such areas and foster new educational links, rather than to create new types of institutions. It is promoting the concept of an institute of tertiary education in outer metropolitan areas. The institute would be an area educational agency responsible for:

(a) establishing and administering new campuses and study centres in those suburbs which are now grossly under-provided with facilities; and

(b) fostering co-operation among existing campuses especially in connection with course credits, transfer courses and two-tier courses.

The task of such an agency would be to break down barriers between sectors, not to eliminate them. It should not impinge on the capacity of autonomous institutions to organise and run their own programs but use its influence and its new campuses/study centres to create new educational networks. For example, it could introduce new two-tier courses in business studies which link TAFE programs provided at the local TAFE college with the degree and diploma programs offered by CAEs, or universities. Again, I ask the question why should the student have to start all over again if he/she wishes to transfer from a TAFE college to a CAE or university, or wishes to upgrade a TAFE award at a CAE or university?

4.5 Each institute should be set up with regard to local circumstances and needs. They will therefore vary considerably in their structures and priorities, while retaining the characteristic of an educational agency which is a promoter and facilitator of change. I do not believe that I can, or should, produce a general prescription to cover all cases, beyond the general outline given above. There is however, one further aspect which warrants comment. I see a need, in certain circumstances, to consider new forms of educational provision. It may be, for example, that developments along North American community college lines may be justified in areas with low secondary school retention and a poor educational climate. Such colleges could, in appropriate circumstances, span the upper levels of secondary education and the lower levels of tertiary education. However, I concede that such arrangements are not well known in Australia and should not be embarked upon until there has been careful consideration of their likely effectiveness and costs.
4.6 A form of "Institute of Tertiary Education" will be very relevant in a significant number of regional centres throughout Australia, where there is (or is to be) an established TAFE college but an inadequate catchment for a separate higher education facility. The legitimate interests of local students to participate in higher education courses can be fostered through a higher education component established within the TAFE college, with appropriate two-tier arrangements with other higher education institutions. It should also be noted that wherever a local community can only sustain a TAFE college, the College Resource Centre should be further developed to enable it to become a Study Centre for all students in that area involved in external studies with other institutions. Such a development would have obvious benefits for the TAFE students as well.

4.7 The question of Institutes of Tertiary Education will be dealt with further by the CTEC in its supplementary report for 1986 and 1987. As announced by the Minister, I am chairing a working party which is examining a proposal for a National Institute of Tertiary Education in Canberra. For the purposes of this report, however, the proposed development of institutes of tertiary education should be noted as a specific expression of the Commission's concern to promote inter-sectoral developments. I also propose, in my outline of proposed amendments to the CTEC Act, that provision be made to acknowledge the establishment of such educational agencies in a simplified procedure for recognition of tertiary education institutions.

TERTIARY EDUCATION STATISTICS

4.8 Statistics are the life-blood of the Commission; it cannot go about its tasks of assessing needs, recommending financial assistance and administering and reporting on approved programs without detailed, reliable statistics. Yet, in spite of considerable sustained effort over the past decade, many deficiencies remain in each of the three major statistical collections and the Commission is still struggling to ensure comparability in the universities and advanced education collections, the two totally funded sectors, in time to be taken into account for the 1988-90 triennium. The intrinsic difficulties in statistical development have been compounded by the decision of the Australian Bureau of Statistics to withdraw from providing assistance with the processing of "administrative statistics". This decision (which may be well justified in its own right) has left the Commission in a quandary about the processing and further development of the annual collection for each sector for which it has taken responsibility since its establishment in 1977. These collections serve multiple purposes: they are the basis for ABS national statistics (excluding the so-called administrative data); they provide the statistics and data which the institutions and State authorities need for their own operations; and they provide statistics of various kinds, including financial data, which are used by the Commission for its own purposes.
4.9 Given this wide range of purposes, and the fact that the Commission is a user of the statistics for its own (selective) purposes, it is anomalous, to say the least, that the Commission has been given the responsibility of organising and collecting the three national collections. (I should add that it would probably be more accurate to say that the Commission has assumed that responsibility, in the absence of any other taker.)

4.10 That de facto situation - of the Commission becoming the national agency for the collection and development of tertiary education statistics - has never been recognised in the resources provided for this purpose. Even in my short time, it is evident that the situation has been a stop-start one, forced on the Commission's Office by inadequate resources and changing priorities. On more than one occasion, the Commission has been saved from potential disaster by the assistance and co-operation of State authorities and institutions, including, in the case of TAFE, a specific grant for this purpose ($125,000 for 1985).

4.11 I propose to go to the heart of this matter and recommend for consideration the establishment of a National Tertiary Education Statistics Centre (NATESC), jointly funded by the Commonwealth, States and institutions, to take responsibility for the collection and development of tertiary education statistics. This Centre would be established as a company, managed by a board of directors with equal representation from the Commonwealth, States and institutions. The details of my proposal are set out in Appendix 3. This proposal would mean that the collection and development of tertiary education statistics would be undertaken and funded by the prime parties involved in the provision and use of those statistics. It should also provide a more effective method of ensuring that statistical information is only processed when necessary so that excessive costs can be avoided.

4.12 This proposal has been canvassed informally within the Commission's Office and with officers in the States involved in the development of tertiary education statistics collections. The proposal has received a favourable response, particularly in relation to the proposed sharing of the responsibility for this important task. In its response to my invitation to comment on the structure of the CTEC and related issues, the Victorian Post-Secondary Education Commission recommended the establishment of "an independent Bureau of Educational Statistics ... as a matter of top priority ... with a view to establishing procedures which would result in a more effective data collection in post-secondary education institutions".

4.13 The effect of the proposal in terms of cost would be to reduce the costs of operation of the CTEC's Office, namely that part of it which is attributable to the collection and development of the national collections. The Commission will need to retain only a small group to assist it with its own requirements and to contribute to the operations of NATESC.
On this basis the administrative saving would be in the order of $0.5 million. This would of course be offset by the cost of the Commonwealth contribution to the Centre, leading to a net saving of $185,000. If the Commission were to keep the function, however, there would be extra costs involved in the extra staff needed to carry it out effectively.

4.14 Quite apart from the savings in the operation of the CTEC, the proposal has much to commend it as it will allow for concentrated attention to statistical needs; it also shares the costs and the control among the various users. The objection could be raised that it could leave the CTEC in a somewhat difficult position in meeting its own statistical needs. However, the CTEC has the ultimate sanction (which it has never had to use) that it is a condition of grant under the States Grants Act that the States and institutions provide statistical material to the Commission.

RESEARCH

4.15 The issue of research funding and co-ordination continues to be a matter of lively debate. During the course of my review it has been put to me that the CTEC should have a much broader responsibility in both these areas. It is already, of course, the main funder of university research through its general recurrent grants (which include a significant notional component for research), the special research and equipment grants and through the funding of special research centres. However, the Commission has no responsibility for grants from other Commonwealth sources for research in higher education - principally the Australian Research Grants Scheme (ARGS) and the National Health and Medical Research Council (NH&MRC) but including other smaller bodies such as the National Energy Research Development and Demonstration Council (NERDDC); nor has it been the Commission's practice to comment in other than a general way on research developments affecting higher education. While individual members of the Commission and Councils may have considerable interest in and knowledge of developments in these areas, they have no formal involvement in them. Decisions in one area however can have considerable impact on other areas, particularly on general resources for university research.

4.16 A working party of the Australian Science and Technology Council (ASTEC) is now completing a report on research funding of higher education, which is likely to be published shortly. There have been various suggestions about the likely conclusions of this report, ranging from continuing with the status quo to a proposal that a new research council should be set up in the CTEC. The most recent report of the deliberations suggests that ASTEC is likely to favour the establishment within the Department of Science of two new research councils, with at least the same responsibilities as applying to the ARGS, and a stronger secretariat.
4.17 Regardless of the outcome of the ASTEC report, there are a number of considerations which should lead, in my view, to a Government decision to relocate the ARGS within the Commission or, at the very least, lead to improved consultation between the Australian Research Grants Committee (ARGC) and the Commission:

(i) The current arrangements under which the general funding of fundamental or strategic research (as distinct from mission-oriented or tactical research) is the responsibility of separate agencies within different portfolios works against a sensible and orderly approach to the most effective use of resources. For instance, there is at present no mechanism, formal or otherwise, to co-ordinate the provision of selective ARGS funding with the need for appropriate infrastructure support (e.g. buildings, equipment, library and support staff) which is essentially a CTEC responsibility. This creates problems of co-ordination of advice to Government on future research needs. The ARGC has recently set out its policy on the future funding of research and has sought a substantial increase in the level of funding which should be made available through that scheme. While the Commission supports the general thrust of the ARGC argument the fact remains that any increase in research funding through that channel clearly has implications for the level of infrastructure support to institutions through CTEC. Yet there is little opportunity under existing arrangements for appropriate consultation between the ARGC and the Commission to develop a joint approach to future funding. Similarly, any growth of mission-oriented research funding, whether by government or industry, relies on the availability of appropriate infrastructure within higher education institutions. The Commission must be the body responsible for advising Government on any problems arising from inadequate provision of infrastructure.

(ii) Establishment of a Research Advisory Council within the CTEC can be justified on the grounds of efficiency and economy. The Commission currently relies on advice from its two higher education Councils, and principally on the Universities Council, on the level and distribution of research funding. The Councils in turn are involved in consultation with other research funding bodies. A single Research Advisory Council within the CTEC which encompassed the functions of the ARGS as well as the research responsibilities of the Universities and Advanced Education Councils could result in the provision of co-ordinated advice and consequent savings in funds required for the functioning and administrative support of three separate bodies.
(iii) The CTEC is a more rational location for a scheme which funds additional research activities in higher education institutions with an implicit assumption that basic infrastructure support for research is already provided by CTEC. It is something of an anomaly—even if there are good historical reasons for it—for a body which funds research across all major disciplines to be located within the Science portfolio. Given the competing claims for support from the Science budget it would be unreasonable to expect the ARGs to be given a high funding priority; indeed this has been the situation in recent years. Responsibility for the ARGs would put the Commission in a better position to advise on general directions of research and funding levels.

(iv) While the Commission would not (and should not) be involved in co-ordinating mission-oriented research, it would become the body responsible to advise Government on action to secure the maintenance of an appropriate infrastructure in higher education, arising from present and expected levels of all types of research funding.

4.18 On these grounds, I would support the establishment within the Commission of a Research Advisory Council, along the same lines as the sectoral Advisory Councils, to carry out the responsibilities of the higher education Councils in relation to research, including advice on the administration of grants to Special Research Centres and Key Centres of Teaching and Research, and to administer the ARGs. Since CTEC is the source of funds for the development of a general research capacity in all universities, it is inevitably a more rational location for any scheme which provides additional support for specific research projects not directly related to specific community "missions". Co-ordination of research funding at least to this extent would not only be more efficient but would enable a stronger and more coherent case to be made for adequate funding of the more generalised research activities of higher education institutions. While the Commission would not be responsible for advising on funding levels of mission-oriented research, whether funded by Government or industry, it would need to be informed of all sources of research funding within higher education, so that inadequacies in infrastructure support can be readily identified. It would then be the Commission's specific responsibility to advise Government on action necessary to solve any difficulties in sustaining the total research effort arising from infrastructure inadequacies.
CHAPTER 5: RECOMMENDATIONS

RECOMMENDATIONS FOR EARLY ACTION

5.1 In relation to the structure of the CTEC, I recommend that:

(1) The charter of the CTEC be revised to extend the Commission's functions to include promotion of cross-sectoral developments.  
(paragraphs 3.4-3.5)

(2) The part-time membership of the Commission be extended from five to six, to include three members selected for their knowledge and expertise in sectoral matters.  
(paragraphs 3.6-3.7)

(3) The three existing statutory Councils be redesignated Advisory Councils, with the function of advising the Commission as required on needs and new policies in their sectors.  
(paragraphs 3.9-3.15)

(4) The three part-time members of the Commission appointed for their knowledge and expertise in sectoral matters be appointed to the relevant Advisory Councils.  
(paragraph 3.7)

(5) Each Advisory Council produce and publish a triennial report on the state of each sector, its problems and priorities for future development, but without detailed financial recommendations.  
(paragraph 3.15)

Recommendations (1) (2) (3) and (5) require amendment of the Commonwealth Tertiary Education Commission Act. I therefore recommend that:


5.2 The following recommendations directly affect the States as well as the Commonwealth and should therefore be the subject of early consultation with the States.

5.3 On the question of relationships with the States, I recommend that:

(7) For each triennium, each State be requested to provide a single statement to the Commission of its priorities, covering all three sectors and all activities in tertiary education, with subsequent consultation with the State to be on the basis of the State's co-ordinated view.  
(paragraph 3.22)
(8) Arrangements for triennial planning be revised to provide that States and institutions present submissions, within broad parameters indicated by the Commission, no more than six months before the presentation of the Commission's proposals to Government.

(9) The Commission relate directly, as necessary, to individual universities and, by arrangement with State authorities, to individual CAEs, while keeping State authorities informed fully of proposed developments affecting their State, and of Commission views on institutional problems.

(10) The Commission's responsibilities for the consideration of new teaching developments reflect more closely its responsibilities for resource allocation and for the balanced and rational development of tertiary education, and that to this end:

(i) Commission agreement continue to be required for changes in the education profile of any institution;

(ii) Commission agreement continue to be required specifically for any lengthening or upgrading of a course leading to a professional, semi-professional or vocational qualification; further, such proposals to be assessed on a national basis both in terms of the community's need for upgraded qualifications and the Australia-wide consequences for resource use in tertiary education;

(iii) Masters degree proposals in CAEs continue to be a matter for Commission agreement;

(iv) All remaining new teaching developments under existing legislation which currently require Commission agreement to be agreed automatically within three months of the Commission being informed officially of the proposal, unless the Commission has called in the proposal specifically for Commission decision; and

(v) The Commission investigate, together with the States and institutions, the introduction of a system of "approvals-in-principle" for new teaching developments which are within the education profile of an institution and which do not involve lengthening or upgrading of existing courses, either within the institution, or elsewhere in Australia.
RECOMMENDATIONS FOR FURTHER CONSIDERATION

5.4 I also recommend that:

(11) The Commonwealth Government initiate the establishment of a National Tertiary Education Statistics Centre on the basis proposed in Appendix 3, and seek the agreement of the States and institutions with a view to establishing the Centre by 1 January 1986.

(paragraphs 4.8-4.14)

(12) Consideration be given to the establishment within the Commission of a Research Advisory Council, to take responsibility for the Commission's research functions and for the administration of the Australian Research Grants Scheme; and that, immediately, improved arrangements for consultation be established between the Commission and research granting bodies, especially the ARGC.

(paragraphs 4.15-4.18)
APPENDIX 1

LETTER INVITING SUBMISSIONS TO REVIEW

15 October 1984

Dear

In its Guidelines for the 1985-87 triennium, the Government requested me to consult with interested parties and to report on options for organisational changes in the structure of the Commission and on arrangements for co-ordination and consultation with States and institutions with particular attention to reducing the costs and complexities of existing arrangements.

I now seek your views on these matters, in order to assist in the preparation of my report to the Government.

Since becoming Chairman, I have become convinced that the existing Commission/Council structure is too complex, administratively cumbersome and inhibits cross-sectoral developments. In particular, I am concerned that the processes for the preparation of Commission reports and Council advice tend to encourage 'ambit claims' from State authorities, institutions and Councils, and produce much wasted effort on the part of all those involved, both in Canberra and in the States. Expectations are created which cannot be fulfilled. The Commission, in this environment, appears to be excessively reactive rather than innovative or an initiator of policies. Any Commission policy thrust tends to be diluted and lost in the complexity of the arrangements.

Accordingly, I will be considering a basic revision of the structure which provides for more unified arrangements and the promotion of cross-sectoral co-operation and co-ordination. I would expect such arrangements to be reflected both in the nature of the Commission as a statutory body and in the organisation of its supporting staff. At the same time, I would wish to maintain provision for specialist advice as necessary for each of the three sectors and for community participation and contribution to new directions in policy. I would expect administrative responsibilities to be placed with the full-time Commissioners and Commission staff, subject to the normal Parliamentary controls.

I seek your suggestions as to the future structure which would best give expression to these objectives.

With regard to relationships with States and institutions, I am concerned that, under the current arrangements, everybody is so busy consulting, writing reports and giving advice, that nobody has the time to listen or consider policy objectives properly. This situation has just been experienced in the preparation of Volume 2. These arrangements clearly place a great burden on all those
involved. In my view, the Commission should be able to rely on a single statement of the views of each State which reflects the views of the Government concerned, covers all three sectors, and takes account of State budgetary and planning priorities. Clearly the Commonwealth cannot determine State machinery for advice on tertiary education developments and funding but it can expect that States will co-ordinate their proposals among the three sectors and advise the Commonwealth of a State view on the assumption of probable (rather than chimerical) provisions for growth. This State view would not override internal priorities of autonomous institutions such as universities in areas which are rightfully their prerogative, but it should take into account the total provision of opportunities for tertiary education. Above all, submissions should not be ambit bids, unless those concerned are happy to have the Commission make its own judgement on priorities.

I would envisage consequential changes to the elaborate (and costly) processes for triennial planning and to the current method of consideration of new teaching developments. I seek your assistance in suggesting changes which would enable the Commission and the Government to maintain the best features of the existing system but reduce the bottlenecks which now occur at both Canberra and State level.

My first thoughts are that institutions and State TAFE authorities should put their proposals for a new triennium directly and concurrently to the Commission and State co-ordinating authority no more than six months before the Commission is required to report on Volume 1, an arrangement which already operates in TAFE. For its part, the Commission would seek from the Commonwealth Government any overriding policies or directions which it would wish to see taken into account.

As for new teaching developments, I am inclined to favour control over these by broad money and numbers constraints, subject to regular reporting arrangements. This and other steps to reduce attempts at detailed control would enable the Commission to concentrate its efforts on planning, resource allocation and discipline assessments of the kind which it outlined in Volume 2.

I would appreciate your views on these matters by late November 1984.

Yours sincerely,

(Hugh Hudson)
Chairman

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APPENDIX 1

LIST OF SUBMISSIONS RECEIVED

1. Advanced Education Council, CTEC
2. Australian Conference of Directors and Principals in Advanced Education
3. Australian Vice-Chancellors' Committee
4. Dr B.K. Bishop, Faculty of Education, University of New England
5. Dr G.G. Burninston, Member, Advanced Education Council
6. Professor D. Caro, Vice-Chancellor, University of Melbourne
7. Mr L.P. Fricker, Director-General of TAFE, South Australia
8. Ms R. Galbally, Member, Advanced Education Council
9. Professor D.W. George, Vice-Chancellor, University of Newcastle
10. Mr R. Goldsworthy, Member, Commonwealth Tertiary Education Commission
11. Professor K. Hancock, Vice-Chancellor, Flinders University of South Australia
12. Higher Education Round Table
13. Professor F. Jevons, Vice-Chancellor, Deakin University
14. Professor P.H. Karmel, Vice-Chancellor, Australian National University
15. Mr P. Kendal, Member, Advanced Education Council
16. Mr P.E.F. Kirby, Chairman, Victorian TAFE Board
17. Professor A. Lazenby, Vice-Chancellor, University of Tasmania
18. Mr T.J. Leo, Executive Director, TAFE Division, Tasmanian Education Department
19. Professor M.J. Logan, Member, Universities Council
20. Professor R.L. Martin, Vice-Chancellor, Monash University
21. New South Wales Higher Education Board
22. Mr Ian Russell, Member, TAFE Council.
23. Dr A. Ryan, Member, Commonwealth Tertiary Education Commission
24. Professor J.F. Scott, Vice-Chancellor, La Trobe University
25. Dr B.A. Sheehan, Director, Melbourne College of Advanced Education
26. Professor R.L. Segall, Acting Vice-Chancellor, Griffith University
27. Dr D. Smart, School of Education, Murdoch University
28. Professor D.R. Stranks, Vice-Chancellor, University of Adelaide
29. Professor R. Street, Vice-Chancellor, University of Western Australia
30. TAFE Council, CTEC
31. TAFE Board, Victoria
32. Tertiary Education Authority of South Australia
33. Dr G.N. Vaughan, Dean, Victorian College of Pharmacy Ltd
34. Victorian Colleges Staff Association
35. Victorian Post-Secondary Education Commission
36. Professor J.M. Ward, Vice-Chancellor, University of Sydney
37. Professor E.G. Webb, Vice-Chancellor, Macquarie University
38. Western Australian Post-Secondary Education Commission
39. Professor F.M.G. Willson, Vice-Chancellor, Murdoch University
40. Mr B.C. Wilson, Member, Commonwealth Tertiary Education Commission.
COMMONWEALTH INVOLVEMENT IN EDUCATION FUNDING

1. Under Section 96 of the Constitution, the Commonwealth has the power to make financial grants to the States in respect of education on such terms and conditions as Parliament sees fit. However, the Commonwealth did not become involved in education to an appreciable extent until the Second World War, when its concern was with the supply of skilled tradespeople for the war effort and the retraining of discharged service men and women. The latter involved the provision of support, with the agreement of the States, in relation to the capital and recurrent costs of the institutions involved in the retraining scheme.

2. Following an amendment to the Constitution after the war, the Commonwealth began providing benefits to students at universities, thereby increasing further its involvement in education. The Commonwealth also adopted the principle of providing supplementary funds to State universities for developmental purposes, accepting the advice of a committee of inquiry appointed in 1950 (Mills Committee). By 1956, the Commonwealth was providing 25 per cent of the recurrent income of State universities.

COMMITTEE ON AUSTRALIAN UNIVERSITIES (MURRAY COMMITTEE)

3. In 1956, the Government established a committee on Australian universities to make recommendations on the development and funding of universities in Australia. The Committee's report, issued in 1957, recommended increased Commonwealth assistance to universities and the establishment of a body similar to the British University Grants Committee to advise the Commonwealth Government on the needs of universities for Commonwealth recurrent and capital funds and to foster the balanced development of university education. The Government accepted the Report's recommendations and the Australian Universities Commission was established in 1959.

COMMITTEE ON THE FUTURE OF TERTIARY EDUCATION IN AUSTRALIA (MARTIN COMMITTEE)

4. This Committee was established in 1961 "to consider the pattern of tertiary education in relation to the needs and resources of Australia and to make recommendations to the
Australian Universities Commission on the future development of tertiary education". The Report of the Martin Committee, issued in 1964 and 1965, recommended the development of a greater variety of educational provision by upgrading selected technical colleges and teachers colleges to become part of a new advanced education sector. The Committee also recommended that the Commonwealth should provide funding for this sector on the advice of a Commonwealth co-ordinating committee. (In practice, the teachers colleges were not included in these arrangements until 1973, but financial assistance was being provided to the other institutions included in the new sector by 1967). A Commonwealth Advisory Committee on Advanced Education was established in 1965 to advise on the provision of financial assistance to CAEs and to foster balanced development within the advanced education sector. The Commission on Advanced Education was established in 1971.

AUSTRALIAN COMMITTEE ON TECHNICAL AND FURTHER EDUCATION (KANGAN COMMITTEE)

5. Following an election commitment of the Whitlam Government, the Australian Committee on Technical and Further Education was established in 1973 to advise on the provision of Commonwealth financial assistance to the States for TAFE, as well as on the development of TAFE generally. The Committee's report led to an increased Commonwealth commitment to TAFE from 1974. The Technical and Further Education Commission was established in 1975 to formulate and administer Commonwealth programs of financial assistance for TAFE.

FUNDING ARRANGEMENTS

6. Before 1974, universities and CAEs were funded on the basis of $1 Commonwealth for each $1.85 of State expenditure for recurrent purposes, together with revenue from fees, and $1 Commonwealth for each $1 of State expenditure for capital purposes. In the TAFE area, the Commonwealth operated a small program of capital grants prior to 1974, but not on a matched basis; States had the main funding responsibility.

7. From 1974, the Commonwealth, with the agreement of the States, accepted full responsibility for financial assistance to universities and CAEs; following the recommendations of the Kangan Committee, increased Commonwealth financial assistance for TAFE was provided from 1974, including the introduction of recurrent grants, but Commonwealth funding for TAFE remained supplementary to State expenditure. Tuition fees were abolished at the same time in all tertiary institutions.
PROPOSED NATIONAL ADVISORY AUTHORITY

8. By 1974, it was becoming clear that the co-ordination and development roles of the various Commonwealth advisory bodies were being affected by the changes which had taken place in the provision and funding of tertiary education. The advanced education sector had grown much faster than was expected, even allowing for the incorporation of teachers colleges into the sector in 1973. Other sectors had also experienced considerable growth. The abolition of tuition fees had increased the advisory responsibilities of the Commonwealth authorities in respect of funding. The States were taking up the Martin Committee recommendation that State co-ordinating authorities be established for the new advanced education sector. The first State authority was established, in Victoria, in 1965; similar developments followed during the next few years in Tasmania, New South Wales and Queensland and eventually in the remaining States.

9. The problems associated with the various changes were particularly noticeable in the higher education sectors and the Government decided that it would be beneficial if a single body were to oversee the balanced development of the provision of university and advanced education. The Government therefore proposed in 1975 that the Universities Commission (as it was then called) and the Commission on Advanced Education should be amalgamated into a single statutory body, and appointed a panel comprising the Secretary of the Department of Education and the Chairmen of the two Commissions to advise on arrangements for the amalgamation.

10. The panel proposed the establishment of a Tertiary Education Commission which would be assisted by two statutory Councils (a Universities Council and an Advanced Education Council). This proposal recognised the policy of maintaining the distinction between the university and advanced education sectors which had been endorsed by the Commonwealth Government and all State Governments. The panel considered also that the model it proposed would improve rational resource distribution, provide a flexible basis for future development and would not involve any change to existing State Government co-ordinating arrangements. The major functions of the Commission would be to advise on financial assistance to universities and CAEs, to promote the balanced and co-ordinated development of tertiary education and to administer approved programs of financial assistance. The functions of the Councils would be to assist the Commission generally in the administration of programs and to represent it, on request, in dealings with institutions and authorities.

11. The panel proposed that the Commission should have four full-time members - a Chairman, a Commissioner (Universities), a Commissioner (Advanced Education) and a Commissioner (Capital Programs), together with six part-time members, of whom two were to be part-time members of the Advanced Education Council and two part-time members of the Universities Council. The two Councils were each to consist
of the appropriate full-time Commissioner, as chairman, and up to seven part-time members. The panel did not consider that particular qualifications should be required for Commissioners or Council members, but recommended that active experience in universities and advanced education should be taken into account. The panel did not accept that any institution or group should have the right to nominate members. The panel recommended also that the Minister should be able, at the Commission's request, to appoint committees to assist the Commission.

12. With regard to financial responsibilities, the panel proposed that lists of approved institutions should be included in the legislation establishing the Commission and that only those institutions should receive financial assistance through the Commission. The panel also proposed a two-stage arrangement for the Commission's financial recommendations whereby the Commission would report to the Government on broad policies for a new triennium and the Government would provide a formal response. Both the report and the response were to be made public. In the light of the Government's response, the Commission would present detailed recommendations on the allocation of grants.

13. The Government accepted the panel's recommendations and announced its intention to create the Tertiary Education Commission before the end of 1975. A joint committee drawn from the two existing Commissions was established to begin planning for the next triennium. The Bill to establish the new Commission passed through the House of Representatives and was introduced into the Senate on 11 November 1975. The Bill was not debated prior to the dissolution of the Parliament. The joint planning committee continued to function while the new Government considered its attitude to the proposed Commission.

ESTABLISHMENT OF THE (COMMONWEALTH) TERTIARY EDUCATION COMMISSION

14. Between 1975 and 1977, further consideration of the establishment of a national tertiary education advisory body was influenced by the new Government's desire to re-examine the relationship between the Commonwealth and the States. In December 1975, the Government appointed an Administrative Review Committee (the Bland Committee) to investigate ways of achieving economies in government programs and services and of improving Commonwealth/State administrative arrangements. This was followed by a Committee of Officials to examine the possibilities for shared funding of education between the Commonwealth and the States. The reports of these committees were not made public. The question of funding arrangements for education was referred to the Australian Education Council which decided to reconsider the matter when the report of the Committee of Inquiry into Education and Training (Williams Committee) became available.

48.
15. In the meantime, the Government decided to proceed with the establishment of a Tertiary Education Commission. The structure of this Commission was to be different from that which had been proposed in 1975 in that technical and further education (TAFE) was to be included. The Government considered that each of the three post-school sectors had a distinct nature and status, that TAFE should be seen as an equal partner and that its role should be strengthened. In his speech introducing the Tertiary Education Commission Bill, the Minister for Education, Senator Carrick, stated that the new arrangements would permit a truly co-ordinated approach to the funding by the Commonwealth of post-school educational institutions and would provide effective means for preventing wasteful duplication and overlap; the arrangements were also to provide for better consultative processes with the States. The Tertiary Education Commission was established, with its present structure, membership and functions, on 22 June 1977.

ARRANGEMENTS FOR TRIENNIAL PLANNING AND CONSULTATION

TRIENNIAL FUNDING

16. In 1978, in the light of advice provided by the Commission in Volume 1 of its Report for 1979-81 Triennium, the Government agreed to abandon the "rolling triennium" arrangement which it had adopted in 1976 and to reintroduce fixed triennial funding for recurrent expenditure for universities and CAEs, with grants being provided on an annual basis for expenditure on capital works, equipment and, for the time being, all TAFE programs. These arrangements were followed in respect of the 1979-81 and 1982-84 triennia. In its Guidelines to the Commission for the 1985-87 Triennium, issued in July 1984, the present Government announced the extension of fixed triennial funding arrangements to capital and equipment programs for higher education and, subject to a triennial resource commitment from the States, to all TAFE programs.

TRIENNIAL PLANNING

17. At a special meeting of the Australian Education Council in June 1979 it was agreed that the following general arrangements should be observed in the preparation of triennial plans:

(1) The Tertiary Education Commission will initiate with appropriate State authorities and universities the preparation by them of comprehensive plans for each forthcoming triennium.

(2) These comprehensive triennial plans will then be the subject of detailed consultation by the relevant Councils of the Commission and their State counterparts; they may be modified in the process of these consultations.
(3) On the basis of these triennial plans, the Commission will formulate a comprehensive proposal. This might be in the form of State-by-State chapters with an overview, and will comprise Volume 1 of the Commission's triennial report.

(4) Volume 1 will be the subject of consultation between the Commonwealth Minister and State Ministers.

(5) Following this consultation, the Commonwealth Minister will prepare proposals and recommendations for consideration by the Government.

(6) Following decisions by the Commonwealth Government, the Commission, after consultation with State authorities, will make such adjustments to the triennial plans as may be necessary in the light of the financial provision determined by the Commonwealth Government.

(7) The revised plans will constitute Volume 2 of the Commission's triennial report and form the basis for the preparation of the States Grants (Tertiary Education Assistance) legislation.

With regard to item (3), the Commission indicated in Volume 1 of its Report for 1982-84 Triennium that it had decided against including State-by-State chapters because of the national character of the matters involved. Otherwise, the above arrangements were followed in the preparation of Volumes 1 and 2 of the Commission's reports for the 1982-84 and 1985-87 triennia.

18. It was also decided that, in recommending the allocation of funds for recurrent purposes in the advanced education sector, the Commission should observe the following procedures:

(a) The total number of advanced education students and their mix in terms of individual institutions and fields and levels of study in a given State are to be determined by the Tertiary Education Commission on the advice of the Advanced Education Council after consultation with State authorities.

(b) The Commission, on the advice of the Advanced Education Council, is to allocate available funds to individual colleges after advice to the Council from the appropriate State authorities. As the development of individual colleges is largely a matter for the States in the light of co-ordinated State plans for advanced education, the Council will generally follow the recommendations made by the State authorities. (In 1984, however, the Advanced Education Council did not follow the recommendations of Victoria.)
19. In addition to determining the general arrangements for triennial planning, the Australian Education Council agreed that consultations should take place as follows:

- Tertiary Education Commission with State co-ordinating authorities for tertiary education or, in States where there is no such authority, with the State Education Minister or his nominated representative;

- Universities Council with individual universities and, as necessary, with State co-ordinating authorities or representatives nominated by the State Education Minister;

- Advanced Education Council with the State authorities responsible for the co-ordination of advanced education and, as necessary, by arrangement with the State authority, with individual colleges;

- Technical and Further Education Council with State authorities responsible for technical and further education and, as necessary, with State co-ordinating authorities or representatives nominated by the State Education Minister and, by arrangement with the State authority, with individual institutions.

20. The Australian Education Council also agreed that regular meetings should be held between the Chairman and full-time Commissioners of the CTEC and the Chairmen of the co-ordinating authorities for tertiary education in the States (or in States which have no such authority, a representative nominated by the State Education Minister). These meetings, known as CTEC/States Consultative Meetings, have taken place regularly, generally on a twice yearly basis, since September 1979; they are convened and chaired by the Chairman of the CTEC. The Consultative Meeting is not a decision-making body, but provides an opportunity for discussion of broad trends and developments in tertiary education and facilitates arrangements for consultation.

PREVIOUS INQUIRIES RELATING TO THE ROLE AND STRUCTURE OF THE CTEC

21. The report of the Committee of Inquiry into Education and Training (Williams Committee), presented in February 1979, recommended that the Commission's structure be reviewed by the Commonwealth Government during 1980, with particular reference to improving the effectiveness of working relationships with State authorities. Following consideration by the Australian Education Council at its special meeting in June 1979, it was decided to delay the proposed review until planning for the 1982-84 triennium had been completed.
Accordingly, the Commission reviewed its structure and operations in 1981 and advised the Minister in November of that year that it did not consider any changes to be required to its basic structure. Supplementary advice was sought from the Commission on aspects of its operations and this was provided to the Minister in April 1982; copies of both sets of advice were subsequently published as an appendix to Volume 3 of the Commission’s Report for 1982-84 Triennium. In July 1982, the Minister announced that the Government had decided not to institute changes in the established arrangements.

22. In addition to the review arising from the Williams Report, two Parliamentary Committees announced intended inquiries into aspects of the Commission’s operations. In May 1979, the Joint Parliamentary Committee of Public Accounts (PAC) indicated that it would be undertaking an inquiry into the funding of tertiary education and in November 1980, the Senate Standing Committee on Finance and Government Operations foreshadowed a preliminary investigation into the accountability system applied by the Commission. The Commission provided a formal statement to the PAC which was published in September 1979 and was tabled in the Parliament in November of that year; additional information was sought and provided in 1981. The Senate Standing Committee was supplied with information relevant to its investigation in February 1981 and a copy was published as an appendix to Volume 1 of the Commission’s Report for 1982-84 Triennium. No further action was taken by either of the Committees.

NEW TEACHING DEVELOPMENTS

23. The Commission’s involvement in the introduction of new teaching developments in universities and CAEs has caused concern to State authorities and institutions over the years, on the grounds that it is time-consuming and unnecessarily duplicates activities and responsibilities undertaken at the State level. To understand these criticisms, it is necessary to outline briefly the history of course approvals as they have affected the Commission and its predecessors.

24. Prior to the development of CAEs, there was no significant conflict between universities and technical colleges over the level of the courses offered in each type of institution and the introduction of new courses posed no major problems. After CAEs were established, however, it became apparent that there was a potential overlap between certain CAE courses and some of those provided by both universities and technical colleges.

25. Under States Grants (Advanced Education) legislation, the former Commission on Advanced Education was empowered to approve, for funding purposes, individual proposals for courses of study in advanced education. The principal reasons for this requirement were that some CAEs
conducted courses which were not at the higher education level and that some TAFE institutions provided courses which corresponded with certain offerings at the advanced education level. This situation had significant implications for the funding of advanced education which was related to enrolments in approved courses of study. In the university sector, the former Universities Commission considered that certain classes of new academic developments warranted investigation on financial grounds or because of the possible effect on the balanced development of universities. In the TAFE sector, new courses were considered and approved solely at the State level.

26. In Volume 1 of its Report for 1979-81 Triennium, the Commission proposed revised procedures for the approval of new university and advanced education programs of study. In line with the proposed procedures, there were subsequent changes which aimed to ensure that decisions relating to new teaching developments were taken at the most appropriate level, whether institutional, State or Commonwealth. The matter was considered by the Australian Education Council (AEC) at its meeting in June 1979. The AEC agreed that new arrangements for the consideration of new teaching developments should be introduced with the object of devolving more authority to the States in this area.

27. Under the new arrangements, the Commission was given power not to approve for funding purposes, new teaching developments falling within the following designated classes:

1. The introduction of any course of study or group of courses of study in a university or any course of advanced education or group of courses of advanced education which involves:
   (a) significant financial implications; or
   (b) a significant educational departure; or
   (c) unnecessary duplication in a specialised field; or
   (d) the establishment of a professional school.

2. The introduction of masters degree programs at CAEs.

3. The introduction of advanced education courses in universities and TAFE institutions.

4. The introduction of UG3 (associate diploma) courses in CAEs.

5. The lengthening of a course leading to a professional/vocational qualification.
28. In Volume 2 of its *Report for 1985-87 Triennium*, the Commission recognised that there was a need to review the existing arrangements for the consideration of new teaching developments, particularly in the area of middle-level courses where there is a potential overlap between advanced education and TAFE programs. It was noted that the arrangements were very detailed and placed a heavy load on resources. The Commission proposed that the necessary review be undertaken in the context of the Chairman's report on the Commission's structure and relationships with the States.
APPENDIX 3

DETAILS OF PROPOSAL TO ESTABLISH A NATIONAL TERTIARY EDUCATION STATISTICS CENTRE (NATESC)

1. A critical factor in the effective operation of any current or future arrangements for the co-ordination and administration of tertiary education is the availability of a sound information base. This is, in itself, a major task as it relates to the educational activity of over a million people, in some 300 institutions with an annual expenditure of about $3 billion. Over the last decade, and particularly since the establishment of the CTEC, the national collections of tertiary education statistics have been extended to meet requirements for adequate justification of funding needs and proper accountability. While the CTEC's own statistical requirements have been important, there has been a substantial increase in the needs of institutions, co-ordinating authorities, other State and Commonwealth Departments, education researchers and the public generally.

2. Responsibility for the development and operation of collections and for the dissemination of statistics has tended to be concentrated in the CTEC. States and institutions have looked to the Commission to play a central role in the improvement of existing collections and the development of new ones. The revision and expansion of the TAFE statistics collection in 1981 and the current major review of advanced education statistics are the major examples of this activity since the Commission's establishment.

3. These requirements on the Commission to develop and operate a statistical information system have expanded considerably in recent years. While this has been, in part, to meet the Commission's requirements, it has been also in response to needs in the system generally for information or for co-ordination of collection systems. There has been an increasing recognition by States and institutions that a substantial degree of national co-ordination is essential to the provision of good statistics and, since the Commission has been the only body in a position to fulfil such a role, it has been under considerable pressure to do so. This pressure has been exacerbated by the decision of the Australian Bureau of Statistics in 1983 to withdraw from participation in the collection, processing and dissemination of detailed university and advanced education statistics.

4. While the quality and availability of tertiary education statistics is good in some areas, the general picture is not satisfactory. Much of the information collected is of limited value because classification systems and definitions are inconsistent; inter-sectoral comparability is often poor or non existent. Not all information collected is readily available in a published form and, where it is published, it is subject to delays of six
to nine months or more. Major gaps remain in the coverage of collections, notably finance statistics in advanced education and statistics on libraries, student progress, entry scores, socio-economic background, equipment and space holdings.

5. The Commission is currently attempting a major upgrading of the statistical systems to overcome these problems and to establish more efficient collection and processing arrangements through the establishment of computer-based collections. These developments are being organised through the three sectoral statistical committees which advise the Commission on the form and content of its statistics collections. These Committees have different charters and varying degrees of independence from the Commission. Although the Commission is receiving substantial assistance from State authorities and institutions (including the temporary secondment of officers from institutions), it does not have sufficient resources to meet these needs in full. This is because the staff resources available to the Commission are determined on the basis of its own statistical requirements; they are not intended to enable the Commission to perform the wider functions of co-ordination, development, and dissemination to other users which have been increasingly required of it.

6. The Commission will always have a vital interest in the availability of reliable, comparable and consistent information on the activities of all facets of tertiary education. This requirement is similar to that of State co-ordinating authorities although it may differ in terms of the degree of detail involved. It is less clear however whether it is necessary, or even desirable for the Commission to be totally or largely responsible for the co-ordination and operation of a tertiary education statistics system which also meets State and institutional needs for administrative data as well as the requirements for published information. Indeed it could be argued that, in view of the Commission's needs as a specialist user, it would be desirable for it to be less rather than more closely involved in the detailed operation of the statistical information system.

7. The matter has also now become one of importance and urgency for another reason. Substantial sums are being spent by institutions and State authorities (including, in the case of TAFE, up to one million dollars per year from special purpose recurrent grants) in the development of computer-based statistical systems. In order that these systems can satisfy the needs of State and Commonwealth authorities, requests are being made by institutions and authorities for clear specifications of statistical requirements and for the establishment of computer-based collection systems for reporting the data.

8. The major review of the statistical collections in the advanced education sector has emphasised the need to support the requirements of all users of tertiary education statistics. This can be achieved only if either the
Commission receives a substantial increase in resources for this purpose, or a separate independent body is established to act on behalf of all users.

9. There seems little justification for the Commission and hence the Commonwealth Government carrying this significant burden when the States and institutions obtain as much benefit from the existence of the data as does the Commission. Accordingly, I recommend that a National Tertiary Education Statistics Centre (NATESC) be established as a joint activity by the Commission, States and institutions. The primary objective of this Centre would be to satisfy the tertiary education statistical information requirements of institutions, and State and Commonwealth Government authorities. The Centre's articles of association would need to address the information priorities associated with the functions of the CTEC, States and institutions. I propose that the Centre should be operated by a Board consisting of representatives of the organisations directly involved in the provision of tertiary education. A description of the proposed Centre, basis for funding, etc are set out below.

10. The concept of the proposed Centre is not new, similar centres operate in the United States and Great Britain. The benefits of the Centre would be considerable, as it would be in a position to concentrate its efforts on improving the collections and the systems for processing and disseminating information. A particular advantage is that suppliers and users of the data would share the responsibility for the quality and timeliness of the output and the financial burden would be more equitably distributed. Some higher education institutions and State authorities currently exercise caution in the provision of data to the CTEC. This hesitancy would be less if the data were being processed by an independent Centre. Such a Centre could make a major contribution to greater efficiency in tertiary education in Australia and help to create a community which is well informed on the nature and achievements of its tertiary education system.

11. In considering the establishment of the proposed Centre, the possibility of extending the Centre's functions to cover all areas of education in Australia was examined. However, if the Centre is to achieve a substantial and timely improvement in the provision of tertiary education information the functions of the Centre must be limited initially to tertiary education. The option of extending the Centre's areas of activity to cover the other education sectors could be examined at a later date.

PROPOSED STRUCTURE

12. The following structure is proposed:

1. NATESC would be an incorporated company limited by guarantee with no share capital.
The Company would be owned by the eight Ministers comprising the Australian Education Council. The Chairman of the Council would chair meetings of the Company owners.

The owners would empower in the Board of Directors the authority to run the Company.

A Board of Directors consisting of persons nominated by the following organisations is proposed:

- Commonwealth Tertiary Education Commission (2 persons - one of whom at least would be a full-time Commissioner)
- Conference of Chairmen of State Co-ordinating Authorities
- Conference of State TAFE Directors
- Australian Vice-Chancellors' Committee
- Australian Committee of Directors and Principals in Advanced Education
- Executive Director, NATESC Ltd (ex officio)

Nominations for positions on the Board would be submitted to the Company owners for ratification.

The Chairman of the Board would be elected annually by the Board from the Board members current at the time, excluding the Executive Director of the Company.

It is expected that the Board would hold meetings as necessary to consider the resource requirements of the Company, work programs and other relevant matters.

PROPOSED FUNCTIONS

13. The proposed Centre would have the following functions:

The primary objective of the Centre would be to satisfy the tertiary education statistical information requirements of institutions, and State and Commonwealth Government authorities. The Centre's articles of association would need to address the information priorities associated with the functions of the CTEC, States and institutions.

To satisfy this objective the functions performed by the Centre would be to:

- identify the information requirements of users;
- develop mechanisms to facilitate the provision of this information including the development and maintenance of processing systems for the collection, processing, storage, dissemination and analysis of tertiary education information;
- provide assistance to institutions and State authorities with the development of information systems to support the data collection processes;
- evaluate the data collected to improve its validity and accuracy;
- disseminate the data in the form of publications, microfiche, magnetic tape and any other appropriate mediums;
- respond to ad hoc requests for information about tertiary education;
- analyse the data and publish papers; and
- undertake research on the statistical data base to increase the understanding of tertiary education.

PROPOSED METHOD OF OPERATION

14. The Board of Directors would be responsible for the effective and efficient operation of the Centre. The Centre would be supported by advisory committees representing the tertiary education sectors. It is proposed that four advisory committees be created, viz:

- Advisory Committee on Universities Statistics
- Advisory Committee on Advanced Education Statistics
- Advisory Committee on TAFE Statistics
- Advisory Committee on Tertiary Education Statistics

15. Membership of the sectoral committees would be determined in consultation with the various authorities/institutions concerned with each sector. The role of these committees would be to advise the Centre on the information requirements, etc of each sector. Membership of the Advisory Committee on Tertiary Education Statistics would include the chairman of each of the sectoral committees and other appropriate persons. This Committee would be responsible for providing advice to the Centre on the development of work programs and the allocation of priorities.

16. The Centre would provide the necessary executive and secretariat support for each of the advisory committees.

FUNDING ARRANGEMENTS

17. The following funding arrangements are proposed:

- The Centre would be funded by the Commonwealth, the States and tertiary education institutions.
- In view of the Commonwealth Government's significant financial commitment to the provision of tertiary
education it would cover one third of the Centre's budget. In addition, the Commonwealth Government would provide accommodation for the Centre, thus reducing the overall cost of the Centre to be shared with the States and institutions.

- The States, the Northern Territory and the ACT would, in total, contribute one third also. Individual contributions would be determined on a per capita basis. The contribution of the Australian Capital Territory would be provided by the Commonwealth.

- Tertiary education institutions would provide the remaining one third of the Centre's budget. Each of the three sectors would contribute equally to the institutions' share of the Centre's budget. The institutions' and TAFE contributions would be deducted from the grants provided by the Commonwealth Government through the States grants legislation.

- Based on 30 June 1983 population estimates, the first year's nominal budget estimate of $945,000 would be funded as follows:

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth</td>
<td>$315,000</td>
</tr>
<tr>
<td>New South Wales</td>
<td>$110,000</td>
</tr>
<tr>
<td>Victoria</td>
<td>$83,000</td>
</tr>
<tr>
<td>Queensland</td>
<td>$51,000</td>
</tr>
<tr>
<td>Western Australia</td>
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<td>South Australia</td>
<td>$27,000</td>
</tr>
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<td>Tasmania</td>
<td>$9,000</td>
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<tr>
<td>Northern Territory</td>
<td>$3,000</td>
</tr>
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<tr>
<td>Universities</td>
<td>$105,000</td>
</tr>
<tr>
<td>Colleges of advanced education</td>
<td>$105,000</td>
</tr>
<tr>
<td>TAFE</td>
<td>$105,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$945,000</strong></td>
</tr>
</tbody>
</table>

- The contributions from the Commonwealth and States could be met, in part or in full, by the contribution of resources such as the secondment of officers.

**IMPLEMENTATION**

18. On the assumption that all governments, authorities and institutions support the creation of the Centre it is envisaged that the Centre would be created by January 1986, senior positions would be filled in the first half of 1986 and the Centre would commence operations on 1 July 1986.
19. There would need to be a transition period during which the functions to be performed by the Centre are progressively transferred from the CTEC. During this period the Centre would utilise the CTEC's ADP facilities and some staff, for which the Commonwealth Government would be compensated through an equivalent reduction in its contribution to the Centre's costs.

20. The initial tasks of the Centre would be to:

- transfer responsibility for processing the existing statistics collections to the Centre;

- continue to support the existing statistics committees until such time as the new advisory committees have been established and work programs prepared; and

- produce an information plan concerning all aspects of the Centre's data collection, processing and dissemination strategies. A result of this plan will be the specification of the Centre's long term ADP requirements.
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