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1956.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

TWENTY-SIXTH REPORT.

COMMONWEALTH OFFICE OF
EDUCATION.

By Authority:

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Mr. President:

On behalf of the Committee, I bring
up the Twenty-Sixth Report of the
Parliamentary Joint Committee of
Public Accounts on The Commonwealth
Office of Education.

I move that the Report be printed.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

THIRD COMMITTEE.

F. A. BLAND, ESQUIRE, M.P. (Chairman).

A. V. THOMPSON, ESQUIRE, M.P. (Vice-Chairman).

Senator A. M. BENN
Senator the Hon. H. S. SEWARD
Senator I. E. WEDGWOOD

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F. J. DAVIS, ESQUIRE, M.P.
A. S. HULME, ESQUIRE, M.P.
H. A. LESLIE, ESQUIRE, M.P.

The Senate appointed its Members of the Committee on 16th February, 1956 and the House of Representatives its Members on 22nd February, 1956.

THE DUTIES OF THE COMMITTEE.

Section 8 of the Public Accounts Committee reads as follows:—

8. The duties of the Committee are—

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of the Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty-three of the *Audit Act* 1901-1955;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

COMMONWEALTH OFFICE OF EDUCATION.

CHAPTER I.—INTRODUCTION.

The Second Committee had intended to inquire into the accounts of the Office of Education towards the end of 1955. However, the announcement of the General Election came just as the basic documents requested by the Committee were to be presented to it. The inquiry did not proceed, and Your Committee decided to take it up as one of our earliest investigations.

2. The Director of the Commonwealth Office of Education, Mr. W. J. Weeden, submitted to Your Committee a document originally prepared for the Second Committee and also two supplementary documents. Hearings were conducted on Tuesday 10th July, Wednesday 11th July and Thursday 12th July, 1956. Mr. Weeden was assisted by the Deputy Director of Education, Mr. J. J. Pratt.

3. During the hearings it became apparent that it would be desirable to obtain some detailed information about the part played by the Office of Education on behalf of the Department of External Affairs in the administration of the Technical Co-operation Scheme (Colombo Plan). Accordingly we asked that the Secretary of the Department of External Affairs should appear before us. Because of his absence in Melbourne on official duties he asked that Mr. Waller, Assistant Secretary of the Department of External Affairs, be allowed to appear in his stead. Your Committee agreed and Mr. Waller, assisted by Mr. L. J. Arnott, Head of the Economic and Technical Assistance Branch of the Department, appeared before us during the afternoon of Thursday 12th July.

CHAPTER II.—HISTORY, FUNCTIONS AND STAFFING.

(a) HISTORY AND FUNCTIONS.

4. The Office of Education was established by the *Education Act 1945*, following a Government survey of the needs and responsibilities of the Commonwealth in the field of education. It took over functions performed in the main by the Department of Post-war Reconstruction and formed part of the general preparations of the Government for the transition from a state of war to peace. Until 1950 the Office was attached to the Department of Post-war Reconstruction, but in a re-organization of departments in 1950 it was transferred to the Prime Minister's Department. It is still attached to that Department, but is administratively self-contained and operates from head-quarters in Sydney. No. 55 of 1945.
Ch. 2-5.

5. The original functions of the Office of Education were chiefly in connexion with the Commonwealth Reconstruction Training Scheme. In addition, however, the Office was given various functions in the educational field. They may best be described by quoting the relevant section of the *Education Act 1945*— Section 5.

"5.—(2) The functions of the Commonwealth Office of Education shall be—

- (a) to advise the Minister on matters relating to education;
- (b) to establish and maintain a liaison, on matters relating to education, with other countries and the States;
- (c) to arrange consultation between Commonwealth authorities concerned with matters relating to education;
- (d) to undertake research relating to education;
- (e) to provide statistics and information relating to education required by any Commonwealth authority; and
- (f) to advise the Minister concerning the grant of financial assistance to the States and to other authorities for educational purposes; and shall include such other functions in relation to education as are assigned to it by the Minister."

6. The Education Act of 1945 also established the Universities Commission, another Commonwealth instrumentality concerned with education. The Commission, which had been in existence since 1943, under the National Security (Universities Commission) Regulations, was established on a permanent basis by the Education Act. Its prime function in the early post-war years was to assist in the re-establishment of ex-servicemen in civilian occupations. It was also charged with continuing a scheme of financial assistance to students at universities that had operated during the war to assist students reserved for training at universities.

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Q. 543. 7. As the numbers being given reconstruction training fell off (they were by 1950) the financial assistance that that Scheme had afforded to universities declined. The assistance had taken the form not only of the payment of the fees of reconstruction trainees, but also covered the full costs of training of ex-servicemen and women.

Q. 414. 8. Partly to offset the decline in income to universities from reconstruction grants and partly because the Government considered that some assistance to tertiary institutions should be continued, two new forms of assistance were commenced in 1951. One was the Commonwealth Scholarship Scheme, the other the Grants to States for Universities (authorized by the *States Grants (Universities) Act 1951*). The Scholarship Scheme is the concern of the Universities Commission and the assistance to States for Universities is channelled through the Office of Education.

Section 14. 9. The Universities Commission was given, by section 14 of the *Education Act 1945*, and "subject to the Regulations and any directions of the Minister", the following functions:—

- (a) to arrange, as prescribed, for the training in Universities or similar institutions, for the purpose of facilitating their re-establishment of persons who are discharged members of the Forces within the meaning of the *Re-establishment and Employment Act 1945*;
- (b) in prescribed cases or classes of cases, to assist other persons to obtain training in Universities or similar institutions;
- (c) to provide, as prescribed, financial assistance to students at Universities and approved institutions; and
- (d) to advise the Minister with respect to such matters relating to University training and associated matters as are referred by the Minister to the Commission for advice."

Q. 417. 10. The Universities Commission has no staff of its own. It consists of the Director of the Office of Education, who is *ex officio* Chairman, and of three other members. The members of the Commission (other than the Chairman) are appointed by the Governor-General for a period not exceeding three years and are eligible for re-appointment. They are at present:—

W. J. Weeden, Esquire, (Chairman)
W. H. Frederick, Esquire, H. J. Goodes, Esquire, O.B.E. and Professor H. K. Ward.

11. The Director told us that:—

Q. 417-418. "First of all, when the *Education Act* was put into operation, the arrangement made was that the Commission would be serviced by the staff of the Office of Education. Certain people on the staff of the Office devote all their time to the work of the Commission. Certain others devote part of their time to questions associated with the Commission's work. In my Central Office, I have four people who devote their full time to the Commission's work. There is some proportion of time spent in branch offices, but there are other people concerned with research activities who devote the bulk of their time to questions associated with the success of university students—mainly questions which concern the Commission in the award of scholarships.

COMMITTEE MEMBER.—So actually, the cost of staffing the Commission is not borne entirely by the vote of the Commonwealth Office of Education?—(Mr. Weeden) Yes, it is, entirely. The cost of staffing the Commission, and the cost of operating the Commission is borne entirely, except insofar as one member of the Universities Commission is an officer of another Commonwealth department. That is the only outside expense not shown."

Q. 419. The Commission meets about six times each year and the cost of holding meetings was, in 1955-56, approximately £380. In 1954-55 the cost of holding meetings had been approximately £260.

12. Since 1947 the Office has performed a variety of functions in respect of the Government's assimilation programme for non-English speaking migrants. Classes for these migrants were arranged in their countries of origin, and more recently have been conducted on board ships bringing them to Australia and in reception and holding centres in Australia. Migrants settled in the Australian community have been assisted by evening classes, correspondence courses and radio lessons.

Exhibit No. 267/1, pages 7-8.

13. More recently, the Office has undertaken to assist in the administration of the Commonwealth Technical Co-operation Scheme that operates under the Colombo Plan. It is also concerned with various other schemes of training for overseas students, especially students from Asia.

14. In addition to these activities, the Office carries out a variety of smaller functions. It provides information about educational facilities in the Commonwealth, has undertaken various research activities relating to education and has performed various other educational services varying from the supply of Australian flags to schools to the production of adult education publications.

15. All these activities are dealt with in more detail in later sections of the Report.

(D) ORGANIZATION AND STAFFING.

16. In addition to the head-quarters of the Commonwealth Office of Education in Sydney, there are Branch Offices in all the State capital cities except Hobart. Before the Government decision in July, 1951 to reduce public service staffs there were 375 persons

Exhibit No. 267/1, page 29.

employed by the Office. Following the decision the organization of the Office was overhauled and its activities were curtailed in a number of ways, e.g., by handing over the day to day administration of the Commonwealth Scholarship Scheme to State Education Departments and by ceasing to publish the Current Affairs Bulletin and other adult education publications.

17. By September, 1953, the staff had been reduced to 158, a reduction of 217 persons. Since that date the number of staff has gradually increased and at 1st July, 1956 the establishment was 203 positions. The first increases were made necessary because the Office assumed responsibilities for the education of aboriginal children in the Northern Territory and for the reception and training of Colombo Plan students as that Scheme developed.

Exhibit No. 267/4.

18. The Public Service Board informed us that they are satisfied with the present establishment of the Office. A complete review was undertaken during 1955, the existing organization was revised, and an additional 10 positions were provided. Early in 1956, 39 new positions on the Office establishment were approved for Colombo Plan training purposes (under the Commonwealth Technical Co-operation Scheme). At the same time, 27 teaching positions were transferred from the Office to the Department of Territories, which assumed, as from October, 1955, the administration of Native Education. The net result has been, as indicated, that the establishment as at 1st July, 1956 was 203 positions.

Q. 72.

Exhibit No. 267/2, page 2.

19. Of the establishment, 164 positions are in the Central Office in Sydney and 39 in the Branch Offices in Melbourne (22), Brisbane (6), Adelaide (7), and Perth (4). Of the staff of 203 persons, about 80 are senior people with varying specialist qualifications. Thus the establishment of the Office is designed for the performance of research and advisory activities rather than of routine tasks*.

Q. 70.

20. The Branch Offices carry out detailed activities associated with training schemes of various kinds, e.g., the Commonwealth Reconstruction Training Scheme, the Colombo Plan and the Commonwealth Scholarship Scheme. The Office stated that some functions connected with the education of adult migrants are also performed in Branch Offices and that local aspects of research projects of the Office would be pursued there. Your Committee inquired why there is a comparatively large number of staff in Melbourne and the Director informed us that:—

"First of all, the State people deal with particular activities, such as migrant education, in connexion with which we carry out advisory work. We also perform work in relation to Colombo Plan students and reconstruction training students, as well as liaison work in relation to the Commonwealth Scholarship Scheme. In connexion with all those administrative activities, our staffing is determined partly by population or the size of the centre in which they are located. In addition to that, the Melbourne Office looks after certain activities in Tasmania. We find it more economic to do so in that way. Enrolments of teachers are quite large in Victoria, and training courses are organized for Tasmanian teachers. The reconstruction officer looks after the Colombo Plan students. Outside of Sydney, the largest group in Australia is in Victoria. I think that is the answer."

Q. 70.

Q. 70.

21. The Director told us that, because of the way in which many of the functions of the Office call for varying amounts of effort at different times of the year, e.g., the beginning of the academic year for such activities as the Technical Co-operation and Commonwealth Scholarship Schemes, he had obtained approval to organize so that the staff is flexible and can readily be transferred "in order to meet heavy pressures". Considerable amounts of overtime are also worked when the need arises.

Q. 71.

22. Organizations such as the Office of Education, which have no closely definable sphere of activities, are prone to expand beyond what might be regarded as a reasonable size. Your Committee received an assurance from the Public Service Board that the staff of the Office is not larger than necessary. We also note that it is still well below what it was in 1950. Further, the Director assured us that, before he undertakes any new activity, he makes sure that it is not being or could not be more efficiently performed by some other body:—

Q. 72.

"COMMITTEE MEMBER.—That leads us to function (d) which reads 'To undertake research relating to education'. I assume that in all those matters you would weigh the advantage of yourself conducting research against the advantage of handing it over to an existing authority such as, for example, State universities, or such other bodies as are engaged in that sort of work. I take it that there would be always in your mind the wisdom of doing things yourself, of building up a large organization to do that work as compared with the wisdom of handing the work over to other existing organizations and simply financing them to the extent that you thought necessary to provide the results you required from the research that you asked them to undertake?—(Mr. Weeden) Yes. We would be interested, again, in research which was Australia wide, in research related to what appeared to me to be some Commonwealth need. If we felt research was necessary our first question would be, who could appropriately do it. I think it would be reasonable to say that if it could be done elsewhere within the time necessary, that is, if it were a matter requiring earlier completion than we could achieve, we would hand it over. There may be considerations like that. The Commonwealth Office of Education attempts to stimulate other people to carry out research, rather than do it itself.

Q. 21, 45-47

COMMITTEE MEMBER.—You say it (a survey of health schemes in schools and universities in Australia) was of interest to you. Does that mean that you acted entirely on your own initiative in making this survey?—(Mr. Weeden) In a case like that, yes, it does. I decided to use the limited resources I had, because I regarded that as an important topic. It would not have been an expensive study. I thought it was a necessary study and that it would be of interest to my colleagues on the Universities Commission. It was not a question of providing additional funds. I have limited resources, and I have described and assessed in this report the approximate cost of research services in the year concerned. I devoted some of those resources to that particular study because in my judgment of Australian educational problems such study was important, particularly in view of the Commonwealth interest.

COMMITTEE MEMBER.—And also you did it because the other places did not have the resources that you had with which to do that work?—(Mr. Weeden) That is so.

COMMITTEE MEMBER.—If there had been other institutions which were capable of doing it, then you would have left it to them and not done it yourself?—(Mr. Weeden) If I could have found someone else who could have done it and who had the resources to do it, I should have left it to them."

CHAPTER III.—THE ACCOUNTS.

(a) THE TREASURY ESTIMATES AND FUNCTIONAL COSTS.

23. Division No. 16 of the Estimates contains the Administrative Vote for the Office. Votes and expenditures in recent years have been as follows:—

	1952-53.		1953-54.		1954-55.		1955-56.
	Vote.	Expenditure.	Vote.	Expenditure.	Vote.	Expenditure.	Vote.
	£	£	£	£	£	£	£
A.—SALARIES AND PAYMENTS IN THE NATURE OF SALARIES.							
1. Salaries and allowances ..	101,000	100,186	103,300	101,171	110,630	99,212	115,000
2. Temporary and casual employees ..	22,500	24,720	23,200	22,843	23,470	28,716	26,000
3. Extra duty pay ..	1,000	1,079	1,000	1,872	2,400	2,849	3,000
	124,500	125,985	127,500	125,886	136,500	130,777	144,000
B.—GENERAL EXPENSES.							
1. Travelling and subsistence ..	5,000	3,951	5,000	4,146	5,000	7,971	6,000
2. Office requisites, &c., and printing ..	2,500	1,572	2,000	2,616	2,000	2,644	2,000
3. Postage, telegrams, tele-phones ..	5,000	4,534	5,000	4,073	4,500	4,352	4,500
4. Incidental and other expenditure ..	2,000	3,468	3,400	4,653	3,000	4,638	4,200
	14,500	13,525	15,400	15,488	14,500	19,605	16,700
C.—MISCELLANEOUS.							
1. International relations in education including Unesco ..	5,850	6,480	5,500	5,260	5,300	4,391	5,000
2. Research materials ..	1,400	885	1,100	726	750	184	500
3. Publications ..	750	661	1,000	567	850	640	850
4. Teaching aids—Migrant Education ..	1,000	554	1,000	656	1,100	354	950
	9,000	8,500	8,600	7,209	8,000	5,569	7,300
Total Division No. 16	148,000	148,010	151,500	148,583	159,000	155,951	168,000

24. The Director, in a statement submitted to Your Committee, advised that he had broken down the Salaries and General Expenses Sub-divisions so that he could provide the Committee with information about the salary and general costs of the particular activities of the Office. Where relevant, an amount from the Miscellaneous Sub-division was also included. Thus we were informed that the Office expenditure for 1954-55 on education for adult migrants is calculated as £33,000, including £354 from Item 4 of Division 16 c;

expenditure on research services for the same year is calculated as £14,800; and expenditure on the Commonwealth Technical Co-operation Scheme and other similar schemes is calculated as £30,300.

25. These functional costs had to be worked out specifically in order to convey the necessary information to Your Committee because Departmental Estimates, drawn up as they are to provide the basis for a legal appropriation, do not convey information about the administrative costs of performing particular functions within a Department. Your Committee appreciate that it is necessary to draw up the Estimates on an administrative and organizational basis rather than in such a way as to show functional costs. We also appreciate that when a Department, or an Agency such as the Commonwealth Office of Education, performs considerable functions not as principal but as agent for another department, it becomes a relatively complex matter to show what expenditures the agent has incurred on behalf of its principal. However, the form of the Estimates gives rise to various problems that we discuss further in the next section of this Chapter.

26. The third Sub-division of the Administrative Vote of the Office is entitled "Miscellaneous". Your Committee note that the estimates of expenditure for this sub-division have regularly been in excess of actual expenditure. We consider that greater accuracy could have been achieved by reducing the Estimates when it was clear from past experience that the amounts were not being expended. Although we realize that Departments could so spend the funds voted to them that no surplus would be left at the end of the year, we would not expect such a procedure to be followed by the Office.*

27. The various items included in Sub-division c are commented upon at appropriate places in the Report.

28. In addition to the administrative expenditures shown in Division No. 16, the Office of Education controls a Miscellaneous Services Vote. This is Division No. 189 and consists of various grants and grants-in-aid administered by the Office. Chief among them is the Commonwealth Scholarship Scheme, accounting in 1954-55 for an expenditure of £983,782 out of a total expenditure of £1,008,712. Expenditure on each of the Items in Division No. 189 is discussed later in this Report: the Commonwealth Scholarship Scheme in Chapter VII, and the Grants-in-aid in Chapter VI.

29. To this expenditure on the Scholarship Scheme and various grants-in-aid can be added grants to States for Universities. The Office has administered the several States Grants (Universities) Acts that have been passed since 1951. The expenditure on these grants, amounting to £1,544,402 in 1954-55, is shown in Part 4 of the Estimates—"Payments to or for the States—Special Appropriations". Thus an annual expenditure of approximately £2,700,000 is in some way the responsibility of the Commonwealth Office of Education.

30. These expenditures may be readily ascertained from an examination of the annual Estimates. However, they do not represent the total expenditure of Commonwealth funds that passes through the Office. In addition to the sum of approximately £2,700,000 already mentioned, the Office has something to do with substantial expenditures from the Votes of the Departments of External Affairs and Immigration. Your Committee were informed that expenditure by the Office from the Votes for the Colombo Plan (Item 1 of Division No. 203 of the Estimates) amounted to approximately £200,000 in 1954-55. It was spent in caring for students visiting Australia under the Colombo Plan Technical Co-operation Scheme. In addition, some of the expenditure of the Department of Immigration on the education of non-British migrants in the English language (amounting to £255,237 in 1954-55) was directly the result of the activities of the Office.

(b) CONTRIBUTIONS FROM OTHER DEPARTMENTS.

31. Your Committee discuss in detail elsewhere the functions of the Office in spending the £200,000 for students under the Colombo Plan and the funds voted for the education of non-British migrants. Here we are concerned to discuss only the question whether the Office should receive some contribution from the Principal Department (External Affairs or Immigration) for the administrative expenditure incurred by it while acting as Agent.

32. It has been the view of successive Committees that the Estimates should show, in as much detail as possible, expenditures by Commonwealth instrumentalities according to function. Different parts of the Estimates show in different ways a functional division of expenditure. For instance, Division No. 231, the New South Wales Administrative Vote of the Postmaster-General's Department, shows within the Division an itemization according to function. Amounts chargeable in the first place to General Expenses (Sub-division B) are deducted, and then shown in detail under other heads. Thus Sub-division E (Engineering

* For further comments on over-estimating, see the Twentieth Report of the Committee, especially page 6, and Chapter IV, of the Twentieth Report.

* Division No. 199, Item 3.

Services) shows some of the General Expénhes in further detail. Then again, Divisions Nos. 252 and 254 (Australian Capital Territory) are included in the Estimates solely to show what proportion of the Administrative expenditure of the Audit Office and of the Department of the Interior respectively are attributable to the Australian Capital Territory. The Salaries and Allowances Schedule of the Estimates also indicates that in many places amounts are deductible for charge to other Votes, e.g. an amount is deductible from the Salaries Vote of the Embassy in the United States of America (Division No. 18) because it is provided under the vote for United Nations Representation (Division No. 190). The Salaries and Allowances Schedule of the Office of Education itself indicates that there is an amount chargeable (in 1954-55) to Northern Territory Votes.

Qn. 368-395.

33. Your Committee appreciate that there are arguments against the breaking up of comparatively minor expenditure items in order to show expenditure according to function. One of them is that the Estimates may become thereby a document far more complex, lengthy and expensive to produce than at present. Another is that the costing of activities made necessary by any functional statement of expenditure would involve additional expenditure on accounting and administrative staff. Your Committee appreciate fully those objections and do not wish to recommend any procedures that would lend substance to them.

Qn. 382-395.

34. However, we are of the opinion that in cases where a Department performs relatively substantial functions as Agent for another Department and employs staff specifically to perform those functions, it is desirable that some indication should be given of the expenditure it has incurred. Your Committee do not wish to lay down as a matter of general principle a rule that the indication should be in the form of a footnote to the Estimates of the Departments concerned, or that it should take the form of a deduction. It seems to us that the circumstances of each case will probably make a different procedure appropriate. What we do wish to see is the inclusion in the Estimates of additional information on these matters so that the Parliament will know the total cost of each activity.

35. Moreover, whatever notation is made, we do not consider that it would be necessary for it to be the product of a detailed costing of all the general and administrative expenses, or of all other incidental labour costs. What we are looking for is a general indication of the order of expenditure incurred on a given function by Departments other than what we have called the Principal Department.

36. In dealing with each of the two functions discussed above, viz., the care of Colombo Plan students and the education of non-British migrants, Your Committee consider that a different approach might be found appropriate. Expenditure under the Colombo Plan Scheme might be shown as a deduction, because Cabinet has given a ruling that a certain amount, and not more than that, is to be spent on Colombo Plan activities. We understand that there is no such specific limitation on expenditure on the education of migrants, and a footnote might in consequence be a more appropriate way of conveying the information in this case.

37. Your Committee also understand that there are other departmental votes under which expenditures for the purposes of the Colombo Plan are made but not specifically itemized in the Estimates. In these votes too we consider that some notation of the expenditure incurred would be appropriate.

CHAPTER IV.—EDUCATION FOR ADULT MIGRANTS.

38. In 1947 the Office of Education was requested to assist the immigration programme by arranging for the instruction in English of Displaced Persons arriving in Australia. By 1951 this activity had developed into a programme of instruction taking place at Displaced Persons' Camps in Europe, on board ship and in Australia.

39. In 1951 the States took over the instruction. It took place at reception centres, in classes for migrants who have left reception centres and through correspondence courses. The Office stated that :—

"Since then, the work of the Office has continued to be concerned mainly with the development of appropriate teaching techniques, the provision of advice and training for teachers, and the preparation of teaching material for use by students and teachers. The radio programmes have continued to be the joint responsibility of the Office and the A.B.C."

Thus the functions of the Office in respect of education for adult migrants are now advisory. No actual teaching, apart from special vacated schools of instruction for teachers and other advisory work of that nature, is carried out.

Exhibit No. 26, 1, page 8.

Q. 154.

40. Your Committee are informed that the work of the Office is nevertheless still such as to require a separate section within it. The Officer in Charge of the Migrant Education Section is, the Director told us, an Australian with considerable knowledge of foreign languages.

Qn. 152-154.

41. The Department of Immigration, the six State Departments of Education and the Office of Education all assist in the education in English of adult migrants. The Department of Immigration is responsible for the general co-ordination of the programme ; the six State Departments of Education organize classes and handle correspondence instruction ; and the Office of Education provides professional advice on teaching methods and prepares teaching material. Exhibit No. 26/1, page 14.

42. That the function of teaching English to non-English speaking migrants is important is beyond question. The following quotation from a statement prepared by the Office of Education seems to place the function in its right perspective :—

"Speaking and understanding the speech of Australians is the migrant's first step towards assimilation in the Australian community. The Office has planned and developed a programme of teaching English which can be used successfully with migrants whose native tongue may be any one of at least half a dozen European languages." Exhibit No. 26/1, page 14.

43. We quote also another interesting point made by the Director. It concerns the value of the education now being undertaken to help migrants settle fully into the community. The Director said :—

"A neighbour of mine who came to this country from Germany sixteen years before these broadcasts started told me that he only really appreciated how he should understand and speak English when these broadcasts started. He said that he learned more from Paul than anything else." Q. 183.

44. The Office stated that its approximate expenditure on education for adult migrants in 1954-55 was £33,000. Most of the Commonwealth's expenditure on the adult migrant education programme is met by the Department of Immigration and is contained in Item 3 of Division No. 199H : "Education of Non-British Migrants in the English Language". Expenditure under this item was £255,237 in 1954-55.

45. Apart from advice, the cost of which it is difficult to assess, the Office prepares a number of publications to assist in the migrant education programme. The publications are :—

English for Newcomers to Australia. (Last Edition 1952.)
English on the Way (1955).
English—A New Language (1950).
I Can Read English (1955).

In addition, the Office prepares for broadcast through the Australian Broadcasting Commission a course of "Easy English Lessons", and an accompanying booklet, and two articles in simple English dealing with Australian historical and economic topics, for inclusion in the Department of Immigration's monthly publication *The Good Neighbour*.

46. In Section (b) of Chapter III. Your Committee recommended that consideration might be given to indicating in the Estimates what expenditure under the Immigration vote for teaching English resulted from the activities of the Office of Education. We inquired from the Department of Immigration approximately what expenditure was involved and were informed that in 1954-55 the publications prepared by the Commonwealth Office of Education were "English for Newcomers to Australia", Correspondence Course lessons, Preliminary Italian Correspondence Course Lessons and Radio Lessons Booklets.

46A. We understand that the annual cost of producing "English for Newcomers to Australia" is approximately £3,500, which includes the cost of both preparation and printing. About 1,800 copies are distributed each month and they cost about 3s. 8d. a copy. The Director told us that :—

"When an immigrant goes to a class he is issued with a book, which he is expected to keep and use. The book is developed in relation to the type of lessons given. It is useful for both the teachers and the students. If the student moves to another class he is able to carry on without interruption because the same kind of instruction is given there. Of course, an immigrant might say that he left the book at his former class, in which case he would be issued with another book. Having regard to the annual expenditure of £3,500, I do not think that many extra books are issued for this reason." Q. 151.

The cost of the Correspondence Course lessons was, in 1954-55, approximately £2,650 and that of the Italian Correspondence Course lessons about £120. Radio lessons booklets (*For New Australians*) cost £3,400. Thus in 1954-55 the Office produced material for publications costing approximately £9,670. Publications commenced in 1955 were *English on the Way* and *I Can Read English*, the latter being sold at a price that covers cost of publication. Thus a small but growing expenditure from Division 199H, Item 3 is the result of activities of the Commonwealth Office of Education. We recommend that a suitable footnote be placed in the appropriate places in the Estimates.

47. Expenditure for one only of the publications prepared by the Office for migrant education work is provided on the vote of the office. The Estimates Item is No. 4 of Division No. 16c. Entitled *Teaching Aids—Migrant Education*, the Item is for expenditure, the Director told us, "mainly on the printing of a little journal containing suggestions for teachers" Q. 145.

in relation to newcomers". Expenditure on this Item has in recent years been substantially below the estimate. In 1952-53 the Vote was £1,000 and expenditure £554, and in 1953-54 the Vote was £1,000 and expenditure £656. Expenditure in 1954-55 was even less: £354 on an estimate of £1,100. In 1955-56 the Vote was reduced to £950 and expenditure was £446. Your Committee are not satisfied with the estimates made for this Item. While we appreciate that the Office saved money by *revoicing one publication* that normally would have been printed and that movements of staff have made estimating difficult, we consider that it should have been possible to estimate more accurately the annual amounts required:—

Q. 146.

Q. 157.

Q. 156.

"COMMITTEE MEMBER.—I wish to revert to Item 4 of Division 16c. The vote was for £1,100 and expenditure was £354. The vote this year is £950. The vote was under-expended in 1953-54 as the amount provided was £1,000 and expenditure was £656. In 1952-53 the vote was £1,000 and expenditure was £554. The vote for this year is £950 and, according to the Auditor-General's statement, expenditure for the five months of this year was only £362. I believe you said yesterday that it would total £446. We seem to have continual requests for more money than is required. While this amount is not very large, the total could be substantial throughout all the Estimates. We are concerned about the request for more money than is required. You will have over 100 per cent. more than you will expend this year?—(Mr. Weeden) That is true in that case but it depends largely upon the amount of material we turn out. If we produce good material in sufficient quantities, we need the money for publication so that we can help the teachers, but if the material we turn out or the circumstances are such that we can reprint, we can save money. That would happen if we had a group of new teachers who needed some earlier material."

48. The Item also covers minor expenditure on teaching aids used for experimental teaching work, e.g., maps or other small items.

49. Your Committee suggest that a new title might be considered for this Item. The present title, "Teaching Aids—Migrant Education", seems to indicate that the chief expenditure is on aids of one kind or another, whereas the true situation is that the main expenditure is on the printing of the journal *English—A New Language*. The Item might more appropriately be termed "Teachers' Aids—Migrant Education" or even "Publications and Aids for Teachers for Migrant Education Work".

50. The output of the Office in the teaching field is used mainly by State school teachers who conduct evening classes or handle correspondence classes for migrants. These teachers are paid fees by the State Government for their services. The fees vary from State to State, and when a State government claims for a salary or for other reimbursement, payment is made by the Department of Immigration from its Votes. The Office of Education is not involved in any way with the payments.

Q. 129-136, 167.

51. We asked whether the Office considered that value was received for the money spent on teaching English to adult migrants. The Director replied that in July, 1955 there were 12,707 people attending classes. In July, 1954, there had been 11,778 and in July, 1953, 14,000. The Director continued:—

Q. 138.

"You asked whether I consider that we are getting value for the money spent. The people who are in charge of the work in the State Education Departments are senior people. They apply all normal tests of effectiveness of operation and, in addition, they make use of the help of our advisory teachers. Those teachers do not go around to report on teachers, but to help them and to suggest methods of teaching. Our relations with the teachers are good. My impression is that we do get our money's worth, having relation to the statistics of people who attend the classes."

Q. 197.

52. Thus by adding to the expenditure of the Department of Immigration on the education of non-English speaking migrants that of the Office of Education, the total annual expenditure on adult migrant education can be calculated. Expenditure in 1954-55 by the Department of Immigration was £255,000 (Division 199h, Item 3), and by the Office of Education £33,000, making a total expenditure on the programme in that year of £288,000.

Exhibit No. 26/1, page 14.

Q. 182.

Q. 123-126.

53. The other main activity of the Office under the migrant education programme is to provide a script for radio broadcasts. The radio course consists of 75 lessons and is broadcast weekly by the Australian Broadcasting Commission on a regional basis. The Director informed us that his estimate is that some 45,000 people listen to the broadcasts each week. Nineteen thousand people receive the booklets, of whom some 1,500 would be teachers, and it is estimated that for each booklet issued there are at least two listeners.

Q. 190-194.

54. The function of the Office is solely to prepare the script. The Australian Broadcasting Commission hires the necessary artists and produces the programme, although some consultation takes place between the Commission and the Office. No broadcasts are made from commercial stations. It is entirely within the discretion of the Australian Broadcasting Commission what broadcasting time they use for the broadcasts. Some Members of Your Committee were critical of the time allotted to the broadcasts and of the content of the talks. However, we were informed that the results are satisfactory (see, for example, the comment quoted at paragraph 43 above).

CHAPTER V.—EXTERNAL RELATIONS FUNCTIONS.

(a) EXTERNAL RELATIONS IN EDUCATION.

55. Under the *Education Act 1945* the Office of Education is charged with establishing and maintaining a liaison, on matters relating to education, with other countries. In the execution of this function the Office has entered into relationships with the United Nations Educational, Scientific and Cultural Organization (Unesco); has assisted with educational aspects of the Colombo Plan; and has had dealings with overseas countries on various matters, e.g., the purveying of information and arrangements for the award of scholarships.

Exhibit No. 26/1, page 19.

56. Apart from the contacts with overseas authorities on educational matters, the main external relations work of the Office is in the administration of scholarship schemes and the co-ordination of Australian Unesco activities.

57. The Office stated that its expenditure on external relations for 1954-55 was approximately £57,100. Of this amount, £30,300 is calculated as being on the Technical Co-operation Scheme (Colombo Plan), £16,600 on Unesco activities and the balance of £10,200 on other activities.

58. The Estimates of the Office (contained in Division No. 16) give no separate indication of its expenditure on external relations. Most of the expenditure is included in the Salaries and General Expenses Sub-divisions of Division No. 16. A further amount is voted to the Office as Item 1 of Sub-division c of Division No. 16: "International Relations in Education, including United Nations Educational, Scientific and Cultural Organization".

59. Although it would be of interest to be able to determine, from an examination of the Estimates, what is the annual cost of this function of the Office, Your Committee appreciate the difficulty that would be encountered in showing these expenditures individually. The Unesco and consultative activities are specifically assigned to the Office and we therefore do not suggest that they should be shown separately. However, as we observed earlier (see Chapter III (b)), we are of the opinion that expenditure on the Commonwealth Technical Co-operation Scheme might well be shown as a deduction from the votes of the Office. This matter is discussed further in the following Section of this Chapter.

(b) THE COMMONWEALTH TECHNICAL CO-OPERATION SCHEME (COLOMBO PLAN).

60. Asian students may obtain awards under three schemes. These are the Commonwealth Technical Co-operation Scheme (Colombo Plan), the Australian Scholarship Scheme and the United Nations Technical Assistance Programme.

61. The Minister for External Affairs is responsible for training under the Commonwealth Technical Co-operation Scheme. The Department of External Affairs stated that:—

"In earlier years we had to keep a close control over day to day activities but as the many problems which arise in the training programme were settled and the necessary body of precedents and sound procedures were developed we were able gradually to pass more and more responsibility to the other Departments. In this way, for example, we were able last year (1955) to pass to the Office of Education the tasks of meeting trainees on arrival, arranging accommodation for them, introducing them to their new environment and attending to arrangements for their departure."

Exhibit No. 26/1, page 2.

62. So far nearly 1,600 students have visited Australia under the Commonwealth Technical Co-operation Scheme. Of these, some 700 have, while in Australia, been the responsibility of the Commonwealth Office of Education. One hundred and forty-nine of them have now gone home and at present the Office is looking after approximately 540 students. The Scheme has grown considerably, especially over the last two years, as the following table of students-in-training indicates:—

In training as at—	Number of Students in Training
30th June, 1951	48
30th June, 1952	151
30th June, 1953	182
30th June, 1954	194
30th June, 1955	381
30th June, 1956	540

63. All the students are selected by the Government of their own country. When a student is selected, his own Government informs the Australian Department of External Affairs what particular course of training he wishes to undertake. The Department of External Affairs passes the request to the Office of Education. The Director said:—

"We examine the application and decide whether training appropriate to the qualification of the person or persons concerned, or the needs of that person or persons, is likely to be available in Australia. That is done in our central office. We then refer all the documents to our regional office in the State in which we think most useful training can be given. That entails consulting the institution concerned and asking it whether, in the light of the information provided, it can provide satisfactory training for the student or students. The institution examines the material and may ask for more information or may say that it does not think the training can be given. Perhaps we get a request from India to train a man in a particular field of botany."

Q. 268.

Q. 273.

64. The needs of students naturally differ, but many of them travel to various places and a Commonwealth-wide organization is therefore required if continuous contact with them is to be maintained. Those who come to Australia under the Technical Co-operation Scheme can be grouped into three broad categories. Senior people, such as inspectors of schools, come to Australia for perhaps six to nine months and may be rated as Senior Fellows. Students who have recently graduated come to do post-graduate work and may stay for as much as two or three years. They would be rated Junior Fellows. The third category, the Scholars, come to Australia at about matriculation standard and may proceed to do a university or teachers' college course.

Q. 274-276.

65. The Director told us that the Office maintains contact with the student throughout his sojourn in Australia:—

"COMMITTEE MEMBER.—Do you supervise this training right throughout that period?—(Mr. Weeden) We keep in touch with the student. We are responsible for advising External Affairs at agreed intervals as to his progress.

COMMITTEE MEMBER.—You only advise External Affairs, not the Government of the student's country?—(Mr. Weeden) No. We have an arrangement which reduces correspondence to a minimum in that the material we prepare is advice for the External Affairs overseas post, which conveys it to the Government concerned. But that aspect of the work that deals with the Government is a matter that is always handled by External Affairs.

Exhibit No. 26/1, page 21.

COMMITTEE MEMBER.—In your statement you say that:—

'Save for exceptional cases, all payments to and in respect of these students while they are in Australia are made by the Office.'

That is, they are paid through your Office. You make arrangements to have them paid, is that so?—(Mr. Weeden) At the request of External Affairs, we do that."

Q. 346-347.

66. Up to 1955 the Office had received and cared for students in all States except New South Wales and Victoria, where the Department of External Affairs looked after them. During 1955 the Department of External Affairs, in consultation with the Public Service Board and the Office of Education, arranged for the Office to undertake the reception and care of students in New South Wales and Victoria also. At the same time, the establishment of the Office was increased by 39 in order to cope with this phase of its work. We understand that as yet the Office has not filled all the newly created positions, these being held in reserve till all the activities increase to the maximum extent.

Q. 356.

67. The Office calculates that its own expenditure on the Commonwealth Technical Co-operation Scheme in 1954-55 was £30,300. We understand that it would have been substantially more during 1955-56, because of the steadily increasing number of students-in-training. The amount of £30,300 represents the administrative costs of the Office and is included in Division No. 16, Sub-Divisions A and B. It does not cover the costs incurred on the Scheme by the Department of External Affairs, by the Public Service Board, or by other Commonwealth or State Departments.

Q. 359-364.

68. The payments to students made by the Office amounted in 1954-55 to £206,841, and were made out of the External Affairs Vote of £4,500,000 for Colombo Plan purposes (Division No. 203—International Development and Relief).^{*} At our request, the Office provided us with a statement of the expenditure of £206,841, dissected according to States and purposes:—

	Living Allowances.	Fees.	Travel, Special Allowances and Incidentals.	Educational Equipment.	Total.
	£	£	£	£	£
New South Wales	79,467	5,814	32,750	4,192	122,223
Victoria	30,801	2,927	9,031	..	42,759
South Australia	13,696	913	2,240	..	16,849
Queensland	10,611	1,226	3,034	..	14,871
Western Australia	5,688	638	1,315	..	7,641
Tasmania	1,942	383	173	..	2,498
Total	142,205	11,901	48,543	4,192	206,841

Q. 403-405.

69. The Director of the Office informed us that he considers satisfactory the present arrangement of functions. He does not think the Office's administrative expenditure should necessarily be charged to the External Affairs Vote.

70. To advise us about the working of the Technical Co-operation Scheme from the angle of his Department, we invited the Secretary of the Department of External Affairs to appear before us. He arranged for Mr. J. K. Waller, Assistant Secretary of the Department

^{*} See also the Twenty-fifth Report, presented on 22nd May, 1956 at paragraphs 56-62, where this Vote is discussed in further detail.

of External Affairs, to come in his stead (see Paragraph 3 above). He said that the Department of External Affairs is well satisfied with the arrangement by which the Office of Education performs the administrative functions associated with certain aspects of the Scheme. He also advised that the complete transfer of these functions to the Office would not reduce the size of the Votes of the Department of External Affairs. However, Mr. Waller said that the transfer:—

"... has enabled us to avoid increasing costs. We would have had to increase our costs if we had continued to do this work. As it has developed, so the administrative costs must inevitably develop. We have managed to avoid increases in our own staff by using other departments. Q. 831-832 and 836-837.

COMMITTEE MEMBER.—You have avoided duplication?—(Mr. Waller) Yes. Had we retained complete control of it ourselves, it would probably have been much more costly.

COMMITTEE MEMBER.—It would not be unnatural to expect that where a department is performing a function and it ultimately passes the performance of that function on to another department, as a matter of convenience, that there would be some saving in the one department to compensate for the additional cost in the other department?—(Mr. Arnott) That is so. We refer in this document to something which happened last year as an example. I refer to the concluding sentence in the third paragraph from the end. That enabled us to transfer three persons to the Office of Education who had been doing this for us in Sydney and Melbourne. We transferred those positions to the Office of Education. Exhibit No. 26/7, page 2.

COMMITTEE MEMBER.—You have, in part, answered my question. You reduced your own staffing cost in that department to that extent when you handed the function on to the Office of Education?—(Mr. Arnott) Yes."

71. Bearing in mind that there is a specific limit on expenditure under the Colombo Plan (imposed by Cabinet Decision) and that the Office has by special arrangement undertaken to perform a substantial part of the functions of the Department of External Affairs in connexion with Commonwealth Technical Co-operation Scheme students, Your Committee recommend for consideration that a deduction should be made from the Estimates for Commonwealth Office of Education expenditures on the Scheme. The details of the new entry are further discussed in Chapter III(b).

72. We understand that in the United Kingdom and in Canada the administrative cost of the Commonwealth Technical Co-operation Scheme is not shown on the Vote of the Department performing the functions corresponding to those performed by the Australian Department of External Affairs. We also appreciate that the Department of External Affairs, with a difficult administrative problem already on its hands because of the spread of its own establishments, does not wish to add to its administrative burdens. Q. 856.

73. We are advised by all those concerned that the administration should be the concern of the Office of Education and not of the Department of External Affairs. However, the question remains whether the administrative cost of the Scheme should, where it is practicable, be shown on the Votes of the Department of External Affairs that specifically authorize expenditure under the Colombo Plan.

74. The expenditure by the Office appears to us to be sufficiently identifiable to warrant its charge to the funds made available to the Colombo Plan. The expenditure by the Public Service Board specifically attributable to the training of Colombo Plan students might also be charged to the Colombo Plan Vote. But Your Committee consider such a charge unnecessary in the case of the advice and assistance given by the Commonwealth Departments of Health or Civil Aviation or the State Police Departments. Expenditures by these Authorities on the Scheme appear incidental to their main activities. Although their contributions to the Scheme may take up a small proportion of the time of already existing staff or resources, such contributions would not render necessary additional staff or resources of any consequence. The line between including and excluding a special entry in the Estimates will always, admittedly, be difficult to draw in some cases. But it is our conclusion that in the present case the facts are such as warrant a separate charge. Q. 837.

75. Elsewhere we report on the arrangements by which the States perform the administrative functions associated with the Commonwealth Scholarship Scheme. (See Chapter VII). As these arrangements seem to have worked satisfactorily we asked whether it would be possible for State Education Departments or for Universities to act for the Commonwealth, thus saving additional administration at the Commonwealth level. The Director told us that he did not consider it would be entirely satisfactory for the Commonwealth to use the services of the States for these purposes:—

"COMMITTEE MEMBER.—Could not the services of the States be made available for the reception and accommodation of students under the Colombo Plan?—(Mr. Weeden) I, myself, have grave doubts about that, because the States do not have services of this kind, and the States are not used to, and do not as a normal practice accept responsibility for looking after foreign persons who are visitors to Australia. There was a suggestion yesterday afternoon that the University Housing Officer might be able to do the work. I know Sydney pretty well, and the work would be quite beyond the resources of that officer there. The State Education Department does not have resources of a kind that would be necessary for this work. Furthermore, a considerable Q. 931.

amount of interstate travel by groups is involved. I recall that a group of Indian farmers was brought out, at the request of the Indian Government, to look at Australian farming in a number of fields. The fifteen members of the group did considerable travelling as a group, and also a bit of travel as individuals. They travelled between four and five States. Their work within each State was organized by the State Agriculture Department. The Public Service Board was responsible, at the Commonwealth level, for the management of their work but we, looking after housing and transport, attended to a lot of their movement. In that case, it would have been extremely difficult for the State authorities to move the people without some co-ordination by a Federal authority. That would present considerable difficulty. The paying of the students involves some work. It is not the kind of thing that the Office sought to do, but we had resources which would enable payments to be made with a minimum of augmentation of our resources. We may have put on one officer for this work, and we have probably got one or two typists doing additional work. But we did a minimum of additional work for this purpose, because we used existing machinery. We could use our controls to make sure that payments were proper and appropriate, and we could make sure that they were delivered, because the same authority was controlling both movement and payments."

Q. 353-355. In addition, the Director told us that the universities would probably have neither sufficient staff to handle the work nor be equipped to care for the welfare of overseas students.

76. There are also obvious advantages in leaving the administration of a scholarship scheme for overseas students with an agency of the Commonwealth Government. The Scheme is one part of an Agreement entered into by the Commonwealth Government with other Governments and the students, if they subsequently retain any official contact with Australia, would most probably make it with or through the Department of External Affairs. Moreover, while they are in Australia, many of the students move from one State to another. It would be considerably more complicated if they had to pass from one State or university administration to another. Considerations such as these are difficult to assess. It is the opinion of Your Committee that the advantage lies with the retention of the administration of the scheme in the hands of an appropriate Commonwealth Agency.

(c) EXPENDITURE ON UNESCO ACTIVITIES.

77. The main functions of the Office associated with Australian membership of Unesco are to arrange in Australia programmes that will fulfil Australia's obligations as a member of Unesco. Member countries agree to associate their principal national organizations in the fields of education, science and culture with the work of Unesco. The Director told us that the Government has arranged for this association:—

" . . . by the establishment of a series of Australian Unesco Committees which are listed in the third paragraph on page 20. There are, in all, eleven Committees—one each for education, natural science, social science, visual arts, music, libraries, museums, press, film and radio and a combined committee for drama, theatre and literature. There is, in addition, a National Advisory Committee. The Australian National Advisory Committee for Unesco consists of a representative of each of those Unesco Committees. They are the bodies which advise the Government in accordance with the Unesco constitution on the programme and activities of the organization and on the sort of activity that might properly be carried out in Australia. They assist in the execution of these activities.

COMMITTEE MEMBER.—How many members are there on the Committees?—(Mr. Weeden) The members of the Committees are, in general, organizations which are Australia-wide. They are specialist organizations in the field concerned and they accept or approve of the constitution of Unesco. We might take a typical Committee—the Committee for Education. It includes among its members the Australian Council for Educational Research. The State Directors of Education are represented. It also includes representatives of the New Education Fellowship of Australia, the Australian Broadcasting Commission, the Australian Teachers' Federation, the Australian Council of School Organizations, the Headmasters' Conference which includes the headmasters of the great public schools of Australia, the Commonwealth Department of Health, the Australian Vice-Chancellors' Committee, the National Union of Australian University Students and the Headmistresses Association of Australia. There are twelve organizations, each represented on our Unesco Committee for Education.

COMMITTEE MEMBER.—Would you term that Committee the National Advisory Committee?—(Mr. Weeden) No, we call that Committee our Australian Unesco Committee for Education. It contributes one member to the National Advisory Committee which represents the whole eleven Committees."

78. Numerous other lesser functions are performed by the Office in the Unesco field. For instance, the Office helps in the selection of recipients of awards offered to Australian students by overseas countries for travel for educational purposes overseas, and in the arrangement of tours in Australia of overseas educational experts. Cultural exchanges, e.g., displays of school art work, have been arranged. The Office has also advised on the selection of experts to assist in the development of education in other countries under the Technical Assistance Programme of the United Nations.

79. The Director told us that, of the Office expenditure for 1954-55 of £26,800 on external relations, £16,600 is attributed to Unesco activities.

80. In addition to the expenditure of £16,600 just mentioned, funds are provided for Unesco expenditure under Item 1 of Division No. 16c. The Votes for this Item, "International Relations in Education including United Nations Educational, Scientific and Cultural Organization", have been approximately £5,000 for several years past. In 1954-55 expenditure was £4,391, less than in any year since 1951-52, and it was solely on Unesco activities. Of that amount, something over £2,000 was spent on meetings of the Unesco Committees.

81. The balance of expenditure on Item 1 in 1954-55 was made up in about equal proportions of a number of overseas representational costs and of expenditures within Australia. For instance, a representative of the Australian Visual Arts Committee attended the Plastic Arts World Conference in Venice and the cost (£30) of his attendance at that Conference was met. Items of this nature amounted to about £1,000 for the whole year. In addition, considerable funds were spent in developing in Australia teaching about the United Nations. The Director said that:—

" . . . in collaboration with the Department of External Affairs we prepare material which State Education Departments use quite actively for the purpose. We spent £620 on that in this particular year. There is an Australian National Centre of the International Theatre Institute, and the Australian National Centre is our Unesco Committee for Drama, Theatre and Literature. Their subscription to the International Theatre Institute amounted to £123. There is a group of items—£623, £123 and a couple of others—which amount to about £900."

Thus Item 1 of Division No. 16c contains a large number of small expenditures devoted to the promotion of the work of Unesco in Australia.

82. The Department of External Affairs obtains (in Item 8 of Division No. 190) an annual vote for Unesco purposes. In 1954-55 the Vote was £84,800, expenditure £72,776. The funds are for the Australian contribution to Unesco and provide for representation at Unesco meetings. The Director advised us that he has no control over these expenditures, although the Department of External Affairs works in consultation with the Office in determining Australian policy and representation at Unesco meetings.

83. The Director said that the arrangement with the Department of External Affairs works smoothly. His judgement is that through the comparatively small but widespread contributions of Commonwealth funds valuable work is being done in Australia.

84. The entry on the Estimates for this particular group of expenditures is "International Relations in Education, including United Nations Educational, Scientific and Cultural Organization". The Director told us that it might have been more appropriate to use the adjective "external" rather than the adjective "international". He explained that in earlier Estimates (before those for 1955-56) the Item had referred only to Unesco and was entitled "United Nations Educational, Scientific and Cultural Organization—Expenses". Your Committee appreciate the more accurate picture that the change in title in the 1955-56 Estimates was intended to convey, but question whether it should have such a broad reference unless expenditures on external relations not connected with Unesco are to be included. (As mentioned above, the whole of the 1954-55 expenditure was on Unesco activities). Unless expenditures not directly related to Unesco are to be included, it might be preferable to entitle the Item "Furtherance of Australian Participation in United Nations Educational, Scientific and Cultural Organization". Your Committee also suggest the addition of a footnote to Division No. 16c to indicate that the cost of representation at and of the contribution to Unesco is included at another place in the Estimates, and vice versa.

85. The Director informed us that he did not consider it would be possible to amalgamate the Technical Assistance Scheme (Unesco) with the main Commonwealth Technical Co-operation Scheme (Colombo Plan). It appears that the funds used by the Office for the Technical Assistance Scheme come from the United Nations and that no Australian money is included as such. Therefore he considers it would be preferable for the Scheme to continue to operate independently, as it does at present.

86. It is the Director's view that an alteration in the administration of the Technical Assistance Scheme would not reduce costs:—

"COMMITTEE MEMBER.—It is not possible to reduce the level of costs by changing the administration?—(Mr. Weeden) No, the administration loads are relatively small. So far as our Australian schemes are concerned, we are avoiding administration costs and differences in administration by having them run together. Insofar as they are overseas schemes, we are able to run them on a parallel basis. There are different items but we can allow for that quite easily. A change would not increase our efficiency.

COMMITTEE MEMBER.—It would be difficult to ascertain the administrative costs of these schemes?—(Mr. Weeden) The only way we could show those details would be to state that the cost was 1/150, or whatever the fraction was, of the total cost. The amounts are so small that if one scheme disappeared, it would not affect our costs. If we got another scheme with ten or eleven students in it, it would not affect our cost, but if anybody else had to start it, it would affect their costs."

(d) OTHER EXTERNAL RELATIONS ACTIVITIES.

Q. 370.

87. The Director considers that the administration of the other small scholarship schemes supervised by the Office should remain distinct from that of the large schemes. Their administration is, therefore, in a position analogous to that of the Technical Assistance Scheme vis a vis the Technical Co-operation Scheme. Thus the training scheme for Nauruan secondary school pupils could not easily or conveniently be amalgamated with the Technical Co-operation Scheme. Further, the Australian Scholarship Scheme, although small, is important in that it provides an opportunity to complement the Technical Co-operation Scheme in non-technical fields such as music. Administrative expenditure by the Office on these associated schemes amounted to approximately £3,831 in 1954-55.

Exhibit No. 262.

88. A journal is now being prepared by the Office for distribution to Asian students. It is to be printed and published monthly. The prime purpose of the journal is to contribute to the students' understanding of Australia and Australian problems. It is also hoped that it will enable interested Australians to learn more about Asian students and the countries from which they come.

Q. 374-381.

89. The Director told us that a charge will be made for the journal and that it is anticipated that it will cost between £10,000 and £15,000 in 1956-57. Its publication was approved by the Prime Minister.

90. Your Committee recognise the value of publications such as these and are well aware that it is important that adequate sources of information should be available on matters such as will be covered by the journal. However, we recommend that all possible steps be taken to keep publication costs to a minimum consistent with its purposes.

CHAPTER VI.—MISCELLANEOUS GRANTS-IN-AID.

(a) GRANTS-IN-AID.

91. In addition to the major functions of the Office of Education described in previous Chapters, the Office administers at present seven grants-in-aid for educational purposes. They are made to public bodies engaged in some form of educational activity.

92. In the Seventeenth Report of Your Committee the question of grants-in-aid was fully discussed. Your Committee recommended that the principles upon which such grants-in-aid, which are by their nature outside the normal operation of Parliamentary appropriation and scrutiny, should be made available are as follows:—

Seventeenth Report, page 13.

- (a) Grants should, wherever possible, be made for a fixed period and for specific purposes.
 (b) Authenticated statements of the year's activities should be supplied, and if the grant is for a particular purpose, the organization should also certify that the purposes and conditions of the grant have been complied with.
 (c) The Treasury might consider whether grants should be shown on the estimates of the department responsible for them."

93. Following upon these recommendations of the Committee the Treasury issued a circular to all Government departments and instrumentalities advising them of the principles upon which grants-in-aid to quasi-governmental and public organizations should be administered. The circular reads as follows:—

Treasury Circular 1956 A.2, Q. 222.

"The Joint Committee of Public Accounts, in its Report (No. 17) upon grants to quasi-governmental and public organizations, observed that:—

- (a) Grants should, wherever possible, be made for a fixed period and for specific purposes.
 (b) Authenticated statements of the year's activities should be supplied, and, if the grant is for a particular purpose, the organization should also certify that the purpose and conditions of the grant have been complied with."

2. It is believed that this procedure is already being widely followed by Departments, but the Treasurer wishes that it be applied to all such grants.

3. The annual financial statement of any State organization should be accompanied by an audit certificate from the State Auditor-General. For other statements, the certificate should be that of a qualified public accountant or, if the annual grant by the Commonwealth is small, e.g. does not exceed say £100, of a person who has had some practical audit experience and who is not an officer or employee of the organization.

4. Should you envisage any difficulty in applying this procedure to grants administered by your Department, will you be good enough to take the matter up with the Treasury."

94. The wording of the Circular may have given rise to a doubt about the Committee's intention. As expressed in their Report, it was that the Auditor-General should not, as a matter of ordinary practice, audit the accounts of these organizations. It may be that the States will wish their Auditors-General to certify the statement where the Commonwealth makes special grants to State organizations. But for a voluntary organization that receives

a grant-in-aid from the Commonwealth it would be quite sufficient if a properly qualified auditor appends his certificate, and the exception to this rule mentioned in paragraph 3 of the Circular is certainly not too generous.

95. Your Committee re-affirm that it would be unwise for the Commonwealth or its Agencies to attempt to examine the detailed operations of these bodies unless special circumstances, such as fraud or misuse of funds, positively call for a detailed investigation. We believe that these bodies are assisted because they are able to perform functions valuable to the community, functions that depend for their efficiency upon the organization remaining independent of the Government or its Agencies.

Q. 250-256.

96. The several grants-in-aid administered by the Commonwealth Office of Education are discussed in the following sections of this Chapter. For convenience, the table below sets out, for each grant-in-aid and in the order in which it is discussed, Votes and expenditures for recent years and the total expenditure of Commonwealth funds to 30th June, 1956:—

Grant-in-Aid.	Division and Item No.	Vote and Expenditure.						Total Expenditure to 30th June, 1956.	
		1953-54.		1954-55.		1955-56.			
		Vote.	Expenditure.	Vote.	Expenditure.	Vote.	Expenditure.		
Current Affairs Bulletin, &c.	189 : 6	£ 4,000	£ 4,500	£ 4,500	£ 4,750	£ 4,750	£ 4,750	£ 18,000	
Australian Council for Educational Research ..	189 : 3	18,750	5,000	5,000	5,000	5,000	5,000	5,000	33,750
Oriental Languages Courses at Universities ..	189 : 7	4,621	6,250	6,250	5,000	5,000	22,000	14,000	29,871
Federation of British Industries Scholarships ..	189 : 5	2,549	3,000	1,410	4,500	2,655	3,000	1,334	7,948
Occupational Therapy Training ..	189 : 4	5,000	2,500	2,750	2,750	3,200	3,200	3,436	14,386
College of Nursing (Australia) ..	189 : 9	..	..	..	..	(a)	(a)	1,882	1,882
Presentation of Australian 'Ensign ..	189 : 8	831	(b)250	495	500	494	500	300	2,120
TOTALS .. ..	..	35,751	21,500	20,405	22,500	21,099	38,450	30,702	107,957

(a) Amount to be provided in Supplementary Estimates, 1955-56.
 (b) Amount of £245 provided in Supplementary Estimates for 1954-55.

(b) CURRENT AFFAIRS BULLETIN.

97. Cabinet decided in 1946 that the Office should publish for civilian circulation a *Current Affairs Bulletin*. Originally prepared for the Army Education Service, the Bulletin was distributed during the War to members of the armed services. The effect of the decision of November, 1946, was to continue its publication and that of other pamphlets so that they could be used in civilian adult education work.

Exhibit No. 261, page 8.

Q. 595.

98. In 1951 preparation of *Current Affairs Bulletin* and other adult education publications was taken over by the University of Sydney. To assist the University to continue publication, the Commonwealth is now contributing £4,750 each year. The amount is shown in Item 6 of Division No. 189 : Adult Education Publications—University of Sydney—Contribution towards cost. The Director told us that he thinks the grant is usefully spent.

Q. 586.

99. Fortnightly circulation of the Bulletin is at present about 37,000 copies. The highest circulation achieved was between 47,000 and 50,000 copies and we understand that circulation is now increasing as a result of efforts currently being made. A charge is made for the Bulletin: we understand that there is not a large free list.

100. The Director said that he considers the Bulletin makes a contribution not being made by any other Australian journal:—

"COMMITTEE MEMBER.—Does it not republish a digest of statements which can be obtained in a dozen different ways from other publications?—(Mr. Weeden) I do not think so. Each number consists of one article of from 5,000 to 6,000 words. That article is an analysis of a current problem which might be economic, political or social. It might be related to a problem in Australia or overseas, or to a problem which is common to a large number of countries including Australia. I do not think that the reader gets the same kind of contribution in any newspaper or in any periodical that is distributed in Australia. He might get shorter articles of the same kind, but nothing which receives the same treatment. The Bulletin is published 26 times a year, and deals with important problems which are of interest to thinking citizens."

Q. 590.

(c) AUSTRALIAN COUNCIL FOR EDUCATIONAL RESEARCH.

Q. 209. 101. The Commonwealth has made grants to the Australian Council for Educational Research since 1943. In 1946 all the States agreed to contribute to the Council, and from that time onwards the Commonwealth grant has been a matching grant. Since 1950, the limit of the Commonwealth grant has been £5,000 a year. The grant is shown in Item 3 of Division No. 189 of the Estimates.

Q. 205. 102. The Australian Council for Educational Research was founded in 1930 with the aid of funds from the Carnegie Corporation. A lump sum was given in the first place and the Corporation promised to make annual grants for a period of ten years. The annual grant was \$15,000. In 1940, at the end of the ten year period, the Carnegie Corporation reviewed the situation and decided to continue its grants for another three years, at the same time indicating that the Council might try to become self-supporting.

103. The then Director of the Council (Dr. Cunningham) approached the Commonwealth and the States for assistance. Between 1943 and 1946 *ad hoc* grants were received from the Commonwealth, and thereafter grants were made by the Commonwealth and the States, the Commonwealth contributing on a £ for £ basis.

Qs. 220-222. 104. The staff of the Council is small: about 25 in all. Most of them are engaged in preparing tests for various authorities. Only the salaries of the Director, his secretary, and perhaps three or four professional people and typists would be met from the £10,000 contributed by the Commonwealth and the States.

Q. 220. 105. The Australian Council consists of persons elected by the Institutes of Educational Research existing in each State. The State Institutes have as members the Professor of Education, the Director or Director-General of the Department of Education, the Principal or Principals of the one or more teachers' colleges in the State and a few other persons, e.g., representing schools. The Australian Council has in its turn an elected executive to conduct its operations. The Director told us that the Council carries out two major kinds of activities:—

Q. 211. " . . . One is research into education, inquiries into method, and inquiries into what is going on. At present, the Council is planning to conduct an Australia-wide investigation of inspection and supervision to provide for Education Departments a critical appraisal of the place of the inspector as a person who visits and advises teachers. That will take some years. The Council formerly conducted, over a period of years, an intensive study of the content of the curriculum in each State. It carried out quite a bit of work in relation, particularly, to the activities of private schools, including operation, the courses they provided and things of that kind. That is one field of the Council's activity, which is subsidized.

There is another field of activity, a most important one, which it manages to make self-supporting. That is a test construction activity, in which tests of educational achievement are constructed in relation to arithmetic, reading and spelling. Tests of general ability and of intelligence are constructed. From the sale of the tests, generally about enough money is obtained to meet the costs of investigations necessary in the preparation and construction of the tests."

106. It is the view of the Director that the functions performed by the Council could not readily be performed by any other body:—

Qs. 235-237. " COMMITTEE MEMBER.—From the observations which the Chairman had made in reference to the obligations which are imposed upon Australia—whether the States or the Commonwealth—in accepting these Carnegie grants and the continuation of them, I want to ask you what benefit does the Commonwealth receive from the funds expended on the Council for Educational Research? The States are contributing to it to a great degree and no doubt receive a great deal of benefit because they have the real teaching institutions which are benefiting from these grants. Can you say what benefit the Commonwealth received?—(Mr. Weeden) I preface my answer with a previous remark, that when the grant was announced, I understand that it was clearly stated that it was not being made in order that the Commonwealth should receive benefit, because it was thought that in the national interest it was desirable to have an organization of this kind. The Commonwealth was therefore prepared to assist the States in supporting it. The benefits which the Commonwealth receives, in actual fact, are quite substantial. In my Office there are a number of jobs on which we are asked to conduct investigations as a result of overseas requests, which it would be rather delicate and difficult for us to undertake. I mention the field of private schools. It is very difficult for a government instrumentality to make an investigation there. There are other investigations which the Council has carried out which are directly relevant to the expenditure of Commonwealth moneys and which are quite useful. We have had a number of reports prepared by the Council for Unesco purposes. A few years ago we prepared about 60 pages of a report which appears in the 1954 Commonwealth Year Book entitled 'A Survey of Australian Education'. We prepared part of that in the Office. We asked the Council to prepare another substantial portion and we asked the university people to prepare other parts. The Council undertook research into the success of university students in Melbourne, which has a great bearing on both the Commonwealth Scholarship Scheme and on the grants which are made under the States Grants (Universities) Acts, in that it has led the University of Melbourne to review its practices and to look at its teaching methods. We have derived a great deal of benefit from that.

COMMITTEE MEMBER.—You have partly answered my next question. Do you consider that what the Commonwealth received is an adequate return for its expenditure? In reply to my previous question you said that the Commonwealth was not looking at it as something the Commonwealth would gain, but you have received quite a lot of assistance in replying to overseas questions on various matters. In that connexion, would you say that you consider that the Commonwealth receives an adequate return for its money?—(Mr. Weeden) There are activities of the Council from which it does to do in my Office if we are asked to conduct an inquiry for which, if it were not for the Council for Educational Research, we would have to spend as much as £1,000 to construct a measuring instrument. We are now asked, for example, what is the quality of students in a particular group at Duntroon—for advice as to what it should do in the period of compulsory training to find out those young men who came in for compulsory training who particularly needed help in the field of civics and social studies, or who were in need of educational help in the fundamentals of education. We said that there used it. It had to be constructed, otherwise the Army would have suffered considerably and wasted its staff. We have been able to use these methods of testing in the selection of people for overseas telecommunications and for the Department of Labour and National Service. This instrument is used four or five times a year.

COMMITTEE MEMBER.—We realize that this expenditure has nothing to do with your Office and that you are only passing it on, but we are anxious to know, whether there was an adequate return, or if that grant were not made, whether it would mean greater expenditure to you. You say definitely that it would?—(Mr. Weeden) It is even more than that. I do not know how far the expenses of State education departments and the cost of running State governments would be increased if each State education department tried to construct its own test, of the kind that the Australian Council for Educational Research provides. If that were not done by a central body, the expense done by an independent body. We could have a member on the Council. Some years ago they invited an officer from our Department to become a member of the Council but the decision was made that it would be far better for us and for them if we gave them advice, and if an observer attended their meetings, but that we did not become associated with the Council.

The New Zealand Parliament has passed a special Act concerning the New Zealand Council of Educational Research. Under the Act the Council, while retaining its independence, Q. 227. becomes the responsibility of the New Zealand Government.

107. The Office exercises supervision over the Commonwealth grant by receiving the annual accounts of the Council, by having the Deputy Director of the Office present as an observer at the annual Council meetings and through informal contacts from time to time on such matters as research projects being undertaken by the Council. But, as indicated in the Minutes of Evidence just quoted, it has not been considered desirable that the Office should be formally associated with the Council. Qs. 249-251.

108. The Auditor-General does not audit the accounts of the Council. He explained the position as follows:—

" (Mr. Newman) The Commonwealth Audit has no direct responsibility in the actual audit that is conducted of the grant that is made. Our responsibility commences from the time that the warrant is issued and the grant of the £5,000 is made. That is followed up. Of course, that grant is made on the condition that the States' contributions match it on a pound-for-pound basis. At the end of the year the actual audit of the affairs of the Australian Council for Educational Research is carried out by a firm of outside chartered accountants. They furnish to the Government a certificate on the balance sheet of the audit that they have conducted. As this is in Victoria, the Chief Auditor for the Commonwealth follows through with the Australian Council, first of all to ascertain that the States have made their matching grants. Secondly, he examines the audit certificate given by the chartered accountants. Then, if necessary, he would follow up any points that arose where the situation revealed by the chartered accountants' certificate might appear to be unsatisfactory. So the matter is covered by the Treasury circular that Mr. Cox put in as an exhibit this morning which instructed that in cases of this nature, when a grant is made, provision does exist for a detailed audit to be carried out by chartered accountants or by other means if the amount is small. Qs. 467A-469.

COMMITTEE MEMBER.—And you are quite satisfied with that?—(Mr. Newman) Yes—once the grant is made.

COMMITTEE MEMBER.—Is a copy of the Council's balance sheet made available to the Audit Office?—(Mr. Newman) It is available."

109. Your Committee consider satisfactory the arrangements as described to us by the Director of the Office, the Auditor-General and representatives of the Treasury.

(d) ORIENTAL LANGUAGES COURSES AT UNIVERSITIES.

110. In 1951 Cabinet decided that it was desirable that university-level facilities for teaching three languages—Chinese, Japanese and Russian—should exist in Australia. Acting on the recommendation of a committee appointed to consider this and university problems in general, a grant to the Canberra University College was approved to provide for that teaching. The Office of Education was directed to administer the grant. Q. 441.

111. Grants to the College for this teaching were £4,600 in 1952-53, £6,250 in 1953-54 and £5,000 in 1954-55.

Q. 641 112. The Government recently decided that the teaching of oriental languages should be extended to include Indonesian. In addition to the language of the country, something of its civilization, customs and problems was to be taught. After discussions with universities, the Government invited the Canberra University College, the University of Sydney and the University of Melbourne to introduce courses of Indonesian and Malayan Studies.

Q. 642 113. The universities accepted the invitation and their estimates of cost for the year 1955-56, submitted to the Office of Education, were for £22,000. Expenditure from the grant for the year was in fact only £9,000. The reason for the over-estimate is, it appears, that the universities were unable to obtain staff for the posts created.

114. The Estimates contain an Item for the teaching of oriental languages in the Miscellaneous Services Section: Item 7 of Division No. 189 is entitled "Oriental Languages—Courses at Universities". This Item now contains both the grant of £5,000 to the Canberra University College to assist in the teaching of Chinese, Japanese and Russian and the grant to the three universities for teaching Indonesian and Malayan Studies. The Vote for 1955-56 was £22,000, of which £14,000 was spent.

Q. 642 115. The Director told us that by the time the courses in Indonesian and Malayan Studies are in full operation and the courses in Chinese, Japanese and Russian fully developed, the annual cost of the grant will be not less than £30,000. We asked what form of supervision is exercised over the payment of a grant such as this, that will in time become substantial:—

Q. 643 "COMMITTEE MEMBER.—Is any supervision exercised over this expenditure?—(Mr. Weeden) Yes, a very close supervision. When being asked about liaison activities, I mentioned that I was the chairman of a committee that advised the Canberra University College of needs in the field of university activities. I am also in constant touch with the Canberra University College. We get audited statements of its expenditure in this field, and we will apply a similar method to that used in the case of the *Current Affairs Bulletin*, in relation to financial statements. I am in constant consultation with the administrative officers of the Universities of Sydney and Melbourne about their progress and activities."

116. The Director said that it would not be appropriate to include in the general grants to universities under the States Grants (Universities) Acts the amounts made available to universities for this specific purpose. He explained that the Commonwealth Government has been insistent that, in making grants under the Acts, it was not attempting to suggest to universities how the funds should be used:—

Q. 649 "COMMITTEE MEMBER.—Do you think that it is out of place for the Government to make grants for special purposes such as this?—(Mr. Weeden) I do not think so. This is an extension of the principle which I think the Chairman favours, that if a job is to be done and you think it should be done, you seek the best qualified institution, organization or instrumentality and invite it to do the job."

117. Your Committee consider that these grants to universities represent a departure in principle from that deliberately accepted as a matter of policy by the Commonwealth Government. The policy has in the past been to make grants to the State Government for university purposes, not immediately to universities. Although the amount of £30,000 may from one point of view be relatively insignificant, and the purposes for which it is to be used may be generally acceptable, the fact remains that here the Commonwealth has made direct approaches to universities. The result is that grants for specific purposes, that have involved them in undertaking new activities, have been made direct to two State-universities.

118. Your Committee call attention to this departure from the established policy. It may be that the circumstances justify the departure, though we are not satisfied that the significance of this action has been sufficiently appreciated. We recommend that before further steps are taken in this difficult and controversial field the fullest consideration should be given to their implications by all those concerned.

(e) FEDERATION OF BRITISH INDUSTRIES SCHOLARSHIPS.

Q. 626 119. The Federation of British Industries is an association of English engineering firms. Some years ago, desiring to establish a scheme by which selected persons from other countries could be trained in the United Kingdom, it approached the Commonwealth Government for assistance in a scholarship scheme. The Government agreed in 1951 to provide funds to supplement those of the Federation.

Q. 635, 632 120. The Commonwealth has contributed £250 a year, and the Federation, we understand, more than that sum, towards the costs of each of the selected candidates. Eleven trainees were selected in 1952, five in 1954 and five again in 1955.

121. The Director explained the operation of the scheme as follows:—

"... At times considered appropriate by the Federation, advertisements are issued in Australia inviting applications for awards and graduates with some experience in engineering in Australia can apply for scholarships. The applications are reviewed by a committee of eight persons, four of whom are nominated by the Commonwealth Government and four are nominated by the Federation of British Industries. A group of scholars is selected by the local committee for recommendation to the Federation. The Federation examines the people selected and, in the light of their qualifications and experience, provides training for them in England. It informs the local committee of what has been done, and authorizes the local committee to offer awards to the successful Australian candidates."

122. At the first meeting of the Australian selecting committee, one of the members, who happened to be the representative of the Office on the committee, was asked to act as its executive officer. The Office has on occasions since then sought to persuade other persons to act as executive officer, but has been unsuccessful. Q. 610

123. The Votes for this scheme are contained in Item 5 of Division No. 189. Expenditure in 1954-55 was £2,655 from a Vote of £4,500 and the Vote in 1955-56 was £3,000, from which £1,334 was spent.

124. The Office receives half-yearly reports from the Federation about the progress of the trainees and the Director informed us that the information received was adequate from the point of view of supervising expenditure. In addition, the Auditor-General checks the expenses incurred by the Office in Australia and scrutinizes the expenditures from Australia House, London. Q. 616

(f) OCCUPATIONAL THERAPY TRAINING.

125. Since 1951, when a Cabinet decision authorized the payment, the Commonwealth has made grants available to the Victorian School of Occupational Therapy and to the New South Wales Association of Occupational Therapists. The grants are to assist in the training of occupational therapists and are made subject to certain limitations as to the amount:—

- (i) the grant must not exceed £22 per student enrolled at the school concerned; Q. 607
- (ii) the grant must not exceed the State grant; and
- (iii) the grant must not be more than one-third of the sum of income from fees and State grants.

126. We understand that at present there are only two occupational therapy schools in the Commonwealth. They have been supported by the Commonwealth which is empowered to provide, under the Social Services Act, services and training towards the rehabilitation of physically handicapped persons. Q. 612

127. £3,200 was included in the Estimates in 1955-56, and expenditure was £3,436. (The funds are appropriated under Item 4 of Division No. 189). The Director informed us that the over-expenditure was caused by a rise in the number of students and that he had had to obtain Additional Estimates for the amount. Q. 617

(g) THE COLLEGE OF NURSING (AUSTRALIA).

128. In May, 1956 the Prime Minister approved a grant-in-aid to the College of Nursing (Australia). Expenditure will be shown in a new item in Division No. 189 and will appear for the first time in Supplementary Estimates for 1955-56. In 1955-56 expenditure was £1,882, representing a payment of £905 to the College for the year ended 31st December, 1955 and an advance of £977 in respect of the grant payable for the calendar year 1956. Q. 619

129. The purpose of the grant is to assist the College in providing advanced training for nurses. The College is in Melbourne and the Chairman of the Council is Major-General Sir Kingsley Norris. It is one of two nursing Colleges in Australia providing advanced training for nurses (the other is in New South Wales) and nurses from all over the Commonwealth attend it for advanced training in administration and special fields of nursing. The Director told us that he thought at least half of the students at the College would come from States other than Victoria. Q. 672-677, Q. 691-693, Q. 694

130. The conditions under which the grant is made are:—

- (i) the grant must not exceed £2,000;
- (ii) the grant must not exceed the grants from State Governments; and Q. 678
- (iii) the total grant must not be more than one-third of the sum of income from fees and State grants.

131. The authority for this grant is a decision of the Prime Minister. The grant is similar in nature to that made for occupational therapy training and the conditions limiting it are also similar. The chief difference between the limiting conditions imposed on this and

the occupational therapy grant is that whereas an expenditure ceiling of £2,000 has been placed on this grant, no specific figure was set as a ceiling for the grant for occupational therapy training.

132. The Director informed us that there would be the same kind of supervision of this grant as of the occupational therapy grant. He said—

Q. 684.

"We will not interfere with the course. I am satisfied that the Council of the College and its administration in this field are as competent as anyone can get."

133. Since there is only one other institution providing advanced training for nurses, we envisage the probability of a similar grant to that institution. Your Committee understands that those advising about the grant were aware of this possibility when the grant was approved. When deciding grants such as this, that may entail additional expenditures at a later date, Your Committee consider that those recommending the grant should take care to investigate the possibilities of the commitments of the Commonwealth being increased as a result of their recommendation. Those possible commitments should be a factor in their advice.

134. Your Committee note that the first limitation devised for the grant for occupational therapy training is expressed in terms of a maximum figure per student enrolled. On the other hand, the limitation on the grant for the College of Nursing is expressed in terms of a maximum amount (£2,000).

135. We draw attention to this difference between two very similar grants and suggest that, if a choice has to be made between the two types of limitation, it is preferable to determine a fixed limit on expenditure rather than to express the limitation as a sum computable from a variable quotient. If a variable quotient is considered to be a satisfactory device for computing the amount of a grant, it should be combined with a fixed ceiling, e.g., a maximum of £22 per student enrolled, up to a maximum grant of £x. Control of expenditure is far easier when a specific figure ceiling is fixed. Control of commitments through payment of determined sums in respect of students actually enrolling, such as in the occupational therapy grant, is far less precise and may well lead to difficulties in the future.

(h) PRESENTATION OF AUSTRALIAN ENSIGN TO SCHOOLS.

136. As part of the Commonwealth Jubilee Celebrations (1951) the Government presented an Australian flag to all Australian schools. In December, 1952, the Prime Minister decided that the Commonwealth should in future present a flag to each new school.

Q. 657.

137. Expenditure on the flags (shown in Item 8 of Division No. 189) was £495 in 1953-54, £494 in 1954-55, and £300 in 1955-56 although the Vote (£500) was the same as in previous years. The Director told us that the fall in expenditure was the result of a smaller demand for flags.

Q. 654.

138. The Office does not keep bulk supplies of the flags. It pays £2 8s. 6d. each for them and procures them through the Commonwealth Stores Supply and Tender Board. When a new school is opened, the State Education Department advises the Office and the new flag is sent. Although the States make no contribution to the cost of the flag, they normally make some provision for its hanging.

Q. 663.

139. If a Commonwealth or State Member of Parliament intends to be present at the opening of the school the Office would usually ask him to present the flag. Because the children would hardly appreciate the part of the Commonwealth in the presentation ceremony, we think the Office should stress the matter when sending the flag to the Headmaster. It was stated that the Prime Minister signs a special Certificate of presentation to the school, and Your Committee suggest that schools should see that the Certificate is suitably displayed.

Q. 661.

Qs. 667-670.

B. THE UNIVERSITIES COMMISSION.

CHAPTER VII.—COMMONWEALTH SCHOLARSHIP SCHEME.

Exhibits No. 26/1, pp. 22, 23.

Q. 414

140. Following a report from the Universities Commission, the Government decided in 1950 to implement the Commonwealth Scholarship Scheme. The Scholarship Scheme commenced as the Commonwealth Reconstruction Training Scheme (reported on in Chapter VIII.) was declining and superseded a scheme begun in 1943 to assist students in reserved categories.

Q. 416.

141. Under the Scheme, three thousand scholarships are awarded each year to students entering universities or institutions whose standard of training is considered by the Universities Commission to be of tertiary level.

142. Scholarships are awarded in three classes. The first (and the largest) class is the open entrance type, awarded to students who compete at a matriculation examination

prescribed in the several States as a condition of entry into tertiary institutions. Awards in the second class are obtainable at the end of the first, second or third year of a university course by students who had not previously been Commonwealth Scholars. The third class consists of 100 mature age scholarships awarded to people over 25 but not over 30 years of age. In this case the scholarships are awarded not as a result of normal examinations but on the basis of the entire record of the applicant. The totals for Scholars-in-training as at October of each year since the inception of the scheme are :—

Year.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
1951.	2,148	2,153	792	703	547	101	6,444
1952.	2,786	2,288	942	698	561	97	7,372
1953.	3,334	2,476	1,044	834	583	136	8,407
1954.	3,680	2,362	1,176	872	633	151	9,074

Exhibit No. 26/1, page 22

143. The Education Act 1945 entrusts the administration of the Scholarship Scheme to the Universities Commission, one of whose functions is "to provide, as prescribed, financial assistance to students at Universities and approved Institutions". As indicated in Chapter II, the Commission has no staff of its own. It is served by the staff of the Office of Education. The Director of the Office is *ex officio* Chairman of the Commission, and he told us that four people in the Central Office of the Office of Education are fully occupied on the work of the Commission: others devote part of their time to it.

Section 14 (c)

Q. 417

144. Policy in regard to scholarships is determined by the Commission, which issues a code of rules to guide State Education Departments in the detailed administration of the Scheme. The States handle all the day to day administration in accordance with an agreement reached in 1950-51. The Director told us that he is entirely satisfied with the way in which the administration of the Scheme is carried out.

Qs. 453, 478

145. The Office reimburses the States for expenditure they incur in administering the Scheme. For scholarships the reimbursement is quarterly, and for administrative expenses, monthly. (The States suggested that the Commonwealth should make monthly administrative payments to meet their salary expenses.) Payments of the scholarship allowances and fees are made quarterly because payments are made to the Scholars four times a year: in March, May, August and October. They are, we understand, higher in the earlier quarters of the year because of the higher obligations then for fees. At the end of each quarter the Office of Education checks on the payments made in the previous quarter and makes any adjustment necessary to the amounts payable in the next advance.

Q. 464, 466

146. It would be difficult to ascertain whether the Scholarship Scheme, as at present administered, costs the Commonwealth more than if it were administered through a Commonwealth Agency. The Director informed us that the payments to the States for administrative costs in 1954-55 were £39,453, and that actual expenditure by the States in the year was £40,301. An adjustment would be made for the difference in 1955-56.

147. Expenditure of the Office on the administration of the Scheme in 1954-55 is calculated as £11,400—£9,600 for Salaries and £1,800 for General Expenses. Adding State and Commonwealth administrative expenditures, we find that the Scholarship Scheme, under which some £944,000* of assistance was given in 1954-55, cost the Commonwealth for administration £51,700†, or 5.5 per cent. of the expenditure on actual assistance to students. In the light of these figures and of the complexity of the administration of such a Scheme, Your Committee agree with the conclusion of the Director of the Office, who is also Chairman of the Universities Commission:—

"COMMITTEE MEMBER.—Do you regard (administrative expenditure on the Scheme) as quite satisfactory and economical?—(Mr. Weeden) In all the circumstances of the Scheme I think it is reasonable."

Q. 481.

Your Committee would also agree that money costs are not the sole criteria in judging the effectiveness of the administrative arrangements for the Scheme.

148. Audit of the expenditures of the Universities Commission and the Office of Education is made by the Commonwealth Auditor-General in the normal course of his duties. However, he has no jurisdiction over the funds once they are handed to the States for the purposes of the Scholarship Scheme. The Office receives from each State Auditor-General a certificate of State expenditures under the Scheme. The Director of the Office and the Commonwealth Auditor-General told us that:—

"(Mr. Weeden) They certify as to the amount of expenditure in accordance with the Scheme. We get a certificate as to the amount that is provided for administrative expenses. They certify in respect to the total amount, not in respect to the expenditure incurred on behalf of each of the 9,600 students."

Qs. 458-459

* £944,000 as shown in the Estimates, from which is deducted £40,000 for the payments for administration made to the States.
† £48,301 expended by the States plus £11,400 expended by the Office of Education.

COMMITTEE MEMBER.—I suppose that each Auditor-General certifies in accordance with the rules of his own office?—(Mr. Weeden) Yes. They certify that the money that we have advanced to the States has been used for the proper purposes as they would; I take it, if the funds involved were State funds, as, indeed, they are.—(Mr. Newman) They would certify that the funds had been expended in accordance with the provisions under which the grant had been made and the rest of the audit would be subject to the procedures of the individual States."

Thus the Commonwealth does not follow the expenditure further than the stage when the grant is paid over to the States. The Commonwealth Parliament has therefore to rely upon the Auditors-General of the States for an assurance that the grants have been expended upon the purposes for which they were appropriated.

149. The Director of the Office advised us that, at the end of each financial year, the State Education Departments send Statements of Account to the Office setting out their expenditure on the Scheme. The expenditure of the States is divided into amounts paid for fees, amounts paid to Scholars as living allowance, and administrative costs. Later the Office receives certificates from the State Auditors-General certifying the amount spent on the Scholarship Scheme. On these certified statements any adjustments in payments are made.

150. To place the State Auditors-General in a position to make appropriate checks on payments, they are provided with copies of the Rules drawn up by the Universities Commission to guide the States in their administration of the Scheme. The Director told us that the Commonwealth has not had occasion to query any of the expenditure. On one or two occasions cases have been found in which a scholarship was awarded not in conformity with the Rules, but it was the Commission's view that these awards were made because of a misunderstanding and that they might well have occurred had the Commonwealth itself been administering the Scheme.

151. The Director told us that the quota of scholarships available for award in any State depends upon the population in that State. However, if it becomes clear to the Commission, on the basis of an examination of the number of students likely to desire tertiary education, that one State will not require all its scholarships and that another State will have more applicants of suitable quality than it has free scholarships, an adjustment can be made. The difficulty is that numbers have not been given, or are not known, with sufficient accuracy to move scholarships to another State in that year. What happens is that the Commission makes a forecast on the basis of its previous experience and has found it possible, without exceeding the total of 3,000 scholarships, or altering a State's quota, to allow States where competition is heaviest to offer additional scholarships.

152. The Director told us that after much consideration the Commission had, in the early stages of its existence, recommended to the Government that Scholars should be allowed free choice of the Course they would pursue:—

"COMMITTEE MEMBER.—You mentioned in paragraph 5 of page 22 of your statement—

'The Universities Commission is concerned with the approval of courses, the determination of methods and standards of selection, the amount of benefits payable to a student, and the conditions of tenure of scholarships.'

On page 23 appears a table of the courses being pursued by Commonwealth scholars which shows that 1,945 were doing medicine, 1,523 arts, and 556 pharmacy. I notice that the total number of students doing agriculture is 239 and teacher training 101. The figures for forestry and surveying are low, being respectively 5 and 13, but I think they are of major importance. Does the Commission approve the number of scholarships being made available for any given course? Does the Commission have any say as to what subject or course a student will take?—(Mr. Weeden) The Commission in its report to the Government, which was the basis of this Scheme, submitted to the Government that question for consideration. It pointed out that there were two ways of taking this. You could give students their choice so long as they qualified to start the course which they intended to follow, or you could lay down quotas by the restriction of numbers. The Commission pointed out what was involved in either line of action and advised the Government that in his own interests, and the interests of the nation it would be better, at the time when this Scheme was proposed, to give a freedom of choice to the scholar. The Government accepted that advice and no Scholar is required to follow a particular course."

153. Some guidance as to courses may be given to students by the State Guidance Services in New South Wales and Queensland. But no Government intervention occurs. In the other States, advice is given but the machinery is not as highly developed as in New South Wales and Queensland.

154. Bearing in mind that the Commonwealth Scholarship Scheme costs the Commonwealth something over £1,000,000 in a year, Your Committee find ourselves listening to those who urge the authorities to influence, if not control, in the interests of the community, the choice of courses taken by the Scholars. On the other hand, there are those who urge with the greatest vigour that Scholars should be free to choose their own academic careers: to

act otherwise would be to interfere with academic and individual freedom. Your Committee are of the opinion that controls should not be imposed upon the academic choice of Scholars other than—

(a) those inherent in the framing of a coherent course of studies leading to graduation in the several faculties,

(b) the provision of "guidance" as mentioned in paragraph 153 above.

In discussing this matter with the Director of the Office we received some very interesting evidence:—

"... (Mr. Weeden) We come to this difficulty, that the people who really want to do something and who are good enough to get scholarships can do so under the existing arrangements, although at present in one of the States there are people twenty marks above the margin who do not get scholarships at all. The only way that we could do as you suggest would be to offer additional inducements so that people who would, under the present conditions, choose a certain course would be attracted to other courses. Or we could offer scholarships to people who are not so well qualified as those to whom we are prepared to grant scholarships at present. If we did that, we would run the risk of failures. In relation to the general university population, we think that Commonwealth Scholars do pretty well and we are uncertain as to how far we would improve the performance of the scheme if we tried to make adjustments like that. There is another consideration. Whenever we are advised of the necessity to increase scholarships for certain courses, we find that there is equal justification for increasing the number for half a dozen other courses. The Commission has come to one tentative conclusion, and that is that the real problem is possibly a problem of the shortage of students applying themselves to the secondary school courses. That is not a matter that is within the Commission's province."

155. The Director told us that the Atomic Energy Commission and the Australian Agricultural Council both offer scholarships or additional awards designed to induce students to undertake training considered desirable by these bodies. Such special and unco-ordinated grants could well destroy the general scheme as envisaged and operated by the Universities Commission. It is not clear to us that they are made on the same basis as is the grant for oriental language teaching—and we have already (Section (d) of Chapter VI.) questioned the wisdom of such grants. Your Committee consider that proper care should be taken by bodies interested in specific forms of training to ensure that their activities do not conflict with the main purposes of the Commonwealth Scholarship Scheme and of other Commonwealth assistance to universities. We recommend that the most careful consideration be given to all existing and projected *ad hoc* awards. The grant of such awards should only be made or decided upon after consultation with the Office and the Universities Commission.

CHAPTER VIII THE COMMONWEALTH RECONSTRUCTION TRAINING SCHEME.

156. The Government's policy in regard to the Commonwealth Reconstruction Training Scheme was determined after advice from the Central Reconstruction Committee. The Scheme, which covers a wide range of post-service training, and the Universities Commission* has, since the Scheme began in 1943, been the Training Authority concerned with studies at universities. Other Departments affected by the Scheme are the Departments of Labour and National Service and the Interior. Since the inception of the Scheme, the training in the universities has cost nearly £16,500,000.

157. Although the Universities Commission is, in accordance with the *Education Act 1945*, charged with arranging "as prescribed, for the training in universities or similar institutions, for the purpose of facilitating their re-establishment of persons who are discharged members of the Forces within the meaning of the *Re-establishment and Employment Act 1945*", the Office of Education arranges and supervises the actual training of, and payment of benefits to, students.

158. To the original Scheme have now been added trainees under the Korea and Malaya Training Scheme and the Widows' Training Scheme. These three Schemes are administered by the Branch Offices of the Office of Education. The Officer in charge of the Branch Office is the representative of the Universities Commission on the State Reconstruction Training Committee. In the statement submitted to Your Committee, the functions of the Office in the field of reconstruction training are likened to those it performs for the Commonwealth Technical Co-operation Scheme (Colombo Plan). These activities are reported in Chapter V. (b), especially at paragraphs 63-67, 75.

159. During the years following the cessation of hostilities in 1945, the Reconstruction Training Scheme played a significant part in providing facilities for an increased proportion

* For an outline of the functions and work of the Commission, see paragraphs 8-11 above.

of the relevant age-groups to attend universities. The Director of the Office (who is *ex-officio* Chairman of the Universities Commission) told us that:—

Q. 551. " . . . As many university graduates were produced under the Commonwealth Reconstruction Training Scheme as the total number of graduates of all Australian universities for the years 1931 to 1938 inclusive. About 10,000 of these students gained first degrees and it was very successful. There were many other courses which may have been of equal importance which did not lead to degrees, such as teacher training courses and other training courses but it is probable that the fact that universities have the resources they acquired through the Reconstruction Training Scheme provided the environment in which the scholarship could be awarded."

160. In addition to the assistance given to trainees the Commonwealth provided the universities with equipment and buildings to enable them to cope with the large number of students desiring university training under the Reconstruction Training Scheme:—

Q. 510. "(Mr. Weeden)—We arranged with the universities for the provision of buildings worth £1,000,000. We arranged with the universities and the Treasury for the provision of equipment worth half a million pounds. As the result of discussions with the universities, we arranged for the Treasury to make recommendations to the Government for the provision of contributions towards the cost of universities. In connexion with the Commonwealth Reconstruction Training Scheme the Government decided, on the recommendation of the Universities Commission, that it was proper for it to undertake to meet the full costs incurred by the universities in the course of training. Not only did it do that, but it also gave an undertaking to the universities that they could count—until 1950—on annual contributions from the Commonwealth Government up to a certain overall limit."

161. We asked who now owns the equipment and buildings provided by the Commonwealth. The Director advised us that most of both equipment and buildings is still owned by the Commonwealth. Identifiable articles of equipment such as microscopes have a metal plate affixed to them indicating that they are the property of the Commonwealth. Buildings are still the property of the Commonwealth, and the Universities Commission intends at some stage in the not distant future to make arrangements for their disposal. The temporary buildings may either be taken over by the States for the universities, or be disposed of by the Commonwealth by other means. The permanent buildings will, naturally, remain a part of the University and will have to be the subject of special negotiations, e.g., the buildings at Adelaide University that were erected partly by the Commonwealth and partly by the State Government.

162. The Office of Education has a complete record of the equipment and buildings owned by the Commonwealth. The equipment cost approximately £500,000, but is worth considerably more than that because the Office was able to obtain, by arrangement with the Treasury, teaching material that was not useful for other purposes:—

Q. 579. "(Mr. Weeden)—We got optical and electrical apparatus under a disposals arrangement for extraordinarily low prices compared with the original value of it, although the price was what it would have brought at ordinary disposals sales. We made that equipment available to universities, and much of it which was not useful for normal work, was most useful for experimental and training purposes. Therefore, the universities got much more than £500,000 worth of equipment."

Q. 545. The buildings are worth approximately one million pounds.

163. When officers of the Commonwealth Office of Education visit the universities they take the opportunity to look at the equipment. They rely on the universities to maintain it and the buildings and, the Director told us, "we have reason to know that good use is being made of them".

164. The number of Commonwealth Reconstruction trainees is now diminishing rapidly. Whereas in its heyday students studying at universities under the Scheme numbered several thousand, there were in 1955 only 128 full-time and 276 part-time students under the Commonwealth Reconstruction Training Scheme and associated Schemes, making a total of 404. The Director informed us that there were only about half as many in training in 1956 as there were in 1955. Thus the Scheme is at present of minor significance when compared, for instance, with the Commonwealth Technical Co-operation Scheme, under which there were in June, 1956 some 540 students studying at Australian universities.

165. Since the Scheme appears to be near its end, we sought further information about the intentions of the Commonwealth regarding the property made available to the universities in connexion with the Scheme.

166. The Director informed us that the most recent stocktake of the equipment was conducted in May, 1955, and that, although it was identifiable, some of it is no longer in useable condition. He continued:—

Q. 549-550. "(Mr. Weeden)—There will be quite a complicated winding up operation before this material can be all accounted for because some of the universities will not want to take it and we will have to arrange disposal action.

COMMITTEE MEMBER.—Were there any serious deficiencies?—(Mr. Weeden) No. I am not acquainted with all the details but as I understand the reports I have had, the deficiencies can be accounted for after ten years' use. There is no reason to believe that the universities have been anything but very careful."

167. Your Committee are of the opinion that measures should be taken to expedite the decisions about the final disposal of the Commonwealth equipment still in the hands of the universities. It may be that the equipment should be given to the universities to help them to deal with the increased enrolments that will bring student numbers in 1956 or 1957 back to the peak reconstruction period of 1948-49. Or it may be that the equipment should be counted as part of the assistance given to the State under the States Grants (Universities) Acts. Whatever the decision may be, Your Committee recommend that it be made without delay. The last stocktake was made eighteen months ago. The property is ageing, some is obsolete and all is inevitably deteriorating. On the evidence of the Director of the Office of Education, the Commonwealth Reconstruction Training Scheme is almost at an end. The time has surely come when decisions regarding the fate of equipment originally valued at half a million pounds should be made.

168. The Director also informed us that as yet nothing is being done about the buildings owned by the Commonwealth on university campuses. It appears that the Commission has the problem in view for discussion. However, the Commission itself would not enter into negotiations with the States: when the policy is decided the conduct of negotiations will be entrusted to the proper authorities:—

COMMITTEE MEMBER.—In view of the fact that the C.R.T.S. is almost finished and that the numbers of students will continue to be very small, do you not consider that some attempt should be made to clarify the position with regard to the buildings?—(Mr. Weeden) The position is quite clear. The Universities Commission has now all the documents before it. This year, the Commission will review the steps which it considers appropriate for dealing with the matter."

169. Your Committee consider that in the case of buildings also, it is time that some arrangement for disposal was made. The Director told us that much of the £5,800 that it cost the Office in 1954-55 to administer the Commonwealth Reconstruction Training Scheme was the result of the need to keep a check on the Commonwealth's property. It is our opinion that as the assistance to be given by the Commonwealth to the States for the universities more and more takes the form of the principles embodied in the Commonwealth Scholarship Scheme and the Grants to States for Universities, the ownership of property by the Commonwealth in the universities becomes anomalous. We discuss further in Chapter IX, the assistance the Commonwealth gives to universities through the States Grants (Universities) Acts. Here our point is that the property made available to the universities for reconstruction training is now being used for another purpose. Some fresh declaration of policy is therefore required. Such a policy, in the opinion of the Director, would need to be decided at government to government level.

170. As the Commonwealth Reconstruction Training Scheme is now so small, Your Committee discuss in the paragraphs below the measures by which it was suggested that some of the administrative costs associated with it might be saved if another Department, e.g., the Repatriation Department, administered it; or if the Scheme were amalgamated with another of those administered by the Office, e.g., the Commonwealth Scholarship Scheme.

171. As for handing over the day to day running of the Scheme to the Repatriation Department, the Director said:—

"Our people know it and can do it. It is a job which occupies a very small amount of their time. If Repatriation had to take it on, as it is university type training, they would have to learn it."

172. Alternatively, the arrangement by which the State Education Departments administer the Commonwealth Scholarship Scheme might be extended to cover also the reconstruction trainees. The Director told us that:—

"The State people who are administering the Scholarship Scheme are not acquainted with the Reconstruction Scheme. We could hand it over, but it would not save money. It might cost more, and it would not result in any appreciable saving in staff next year."

173. In paragraphs 139-141 above we compared the cost to the Commonwealth of the States administering the Commonwealth Scholarship Scheme with the cost to the Commonwealth of administering that Scheme itself. It appears that the Commonwealth could not administer the Scholarship Scheme more cheaply. Administrative expenditure on the Scholarship Scheme is only about 5.5 per cent. of the amounts paid to the scholars. As the Commonwealth Reconstruction Training Scheme cost about £5,800 to administer in 1954-55, or about 7 per cent. of the funds actually paid to students, it is possible that the States could administer the Reconstruction Scheme more cheaply. Admittedly there are costs associated with the supervision of the Commonwealth property used by the universities; but we have already indicated our view that the property and thus those costs ought in the near future to be disposed of.

174. The other possibility is that the Commonwealth Reconstruction Training Scheme could now be amalgamated with the Commonwealth Scholarship Scheme. But to that course there are several objections:—

(i) The general concept of the two Schemes is different and so are the rules for their administration;

- (ii) The Commonwealth Reconstruction Training Scheme applies to students following courses for which Commonwealth Scholarships are not available;
- (iii) Commonwealth Reconstruction trainees have, in the past, been paid fortnightly living allowances, whereas payments are made quarterly under the Scholarship Scheme; and
- (iv) The Commonwealth Reconstruction Training Scheme is in the process of winding up and, the Director said, "I think it would be a better arrangement not to disturb what is going on. There would not be a saving from an integration, but there could be embarrassment".

Q. 551.

Having regard to all the circumstances, Your Committee agree with the opinion of the Director that it is better not to disturb the present process of winding up of the Scheme.

C. STATES GRANTS (UNIVERSITIES).

CHAPTER IX.—GRANTS TO THE STATES FOR UNIVERSITIES.

175. As indicated earlier in this Report, the system of Commonwealth grants to States for universities did not commence until 1951 (in respect of 1950 onwards). In that year the first of the States Grants (Universities) Acts was passed. It was passed on the recommendation of a special committee appointed by the Prime Minister in March, 1950, to consider the problem of financial assistance to universities. The terms of reference of the Committee were:—

Q. 726.

Q. 725.

- (1) To examine and report upon the finances of the Universities having regard to their facilities for teaching and research including staff, buildings and equipment;
- (2) To examine and report upon the requirements of Universities in relation to the work at present undertaken and to the need for their future development; and
- (3) To make recommendations as to whether any, and if so what, action should be taken by the Commonwealth to assist the Universities."

There was a further term of reference which was added as a rider. The Prime Minister asked that, in making its report:—

Q. 725.

"The Committee should give attention to the financial position of the residential colleges in the various State Universities and make such recommendations as it thinks proper."

176. The grants authorised by the measures passed prior to the 1956 Act were expressed as being in two parts—"two levels" of grant. The first level grant, the basic grant, was payable on condition that income from State grants and from fees was sufficient to balance the budget of the university in 1950. A further condition was that the income to the university from State grants and fees had to be at least three times as great as the Commonwealth basic grant. The only major adjustment to the qualifying (first level) grant was made in respect of the New South Wales University of Technology, newly established.

177. The second level of the grant was an additional amount payable by the Commonwealth, varying as the income from State grants and fees exceeded the stated qualifying amount. The Commonwealth made available, up to a maximum figure in respect of each university, an amount equal to one-third of the excess of university income over the qualifying amount.

178. The Commonwealth Parliament enacted States Grants (Universities) Acts in 1951, 1953, 1954, 1955 and 1956. The legislation of 1956 was different from the earlier enactments in that for the first time the Commonwealth grant was considered as a total amount for each university rather than as a grant made in two levels.

Q. 735-742.

179. In the 1956 legislation, an endeavour was made to meet the relative needs of each university in terms of a single amount, not an amount expressed in two levels and related to the "balanced budget" concept of 1950. To place universities on a relatively equal basis for the assessment of the grant for 1956, the actual recorded enrolments were weighted to give what the Director termed an "equivalent full course enrolment" at each university; the faculty courses were also weighted. The universities themselves were adjusted for "size". The Director explained the method of calculating the relative needs of each university for the grant in the following way. The universities were asked to supply enrolments and forecasts of future enrolments and:—

Q. 735, 736.

"their own estimates of their likely budgets for future years, and any other comments or any other information which they thought would be of assistance in making the analysis that the Prime Minister and the Premiers had agreed was reasonable to make. The universities provided certain information—not always entirely comparable, but as closely comparable as they could conveniently get it—from their own records and estimates of the future.

Some of my staff, under my direction, processed this information and then we tried to analyse the changes in universities, or the changed pattern of university needs as indicated by the material that they had supplied.

Our first problem was to get a unit which would enable us to compare one university with another, and we attempted to do that by getting a rather complex unit. We said, 'Let us look at the number of students'. If you look at the number in the University of Queensland, you will find that one-third of them are full course students, one-third part course, and one-third external students. Queensland, of course, is a special case, but all the other universities have some, if not all those characteristics. . . . We therefore took enrolments and converted them to a figure which we called equivalent full course enrolments. We found out what was involved in having an external

student, by a study with two universities, as compared with a student in attendance. We converted external students on that basis to full course students. We made an analysis of part course students, which gave us a basis for conversion of part course students, by that particular application, to full course students. That meant that for each university we then had another figure which did not appear in their statistics or in their returns, but which was a measure of full course students.

We realized that a student in a faculty like veterinary science involves different things from those involved by a student in medicine or law. We made an analysis of the relative costs in the various faculties in two universities, on the figures supplied by the universities. We asked a third university to make an analysis of its relative costs so that we could find out the relative costs of the various faculties. We put those three estimates from two large and one medium sized university together, and compared the relative costs of faculties, and the order of size was the same. There were some differences for which we made allowance, and so we got a weighting for the faculty and we found, for example, that Arts and Commerce could be taken as a basic unit and that other faculties required heavier weightings. We applied to our full course students the weighting for each university according to the distribution of the students in faculties. So we allowed for differences in costs of faculties and faculty enrolments.

We then had to consider the problems of running a large university like the University of Sydney or the University of Melbourne, as compared with running a small one such as the University of New England or the University of Tasmania. We therefore made an analysis of student costs in relation to the size of universities, and found small differences as between universities of similar size, but we found considerable differences as the universities got smaller. . . . (Question 736) The smaller the university the heavier the unit cost. . . . We then adjusted the equivalent full time student weighted for faculty costs by a factor which we calculated as carefully as we could to allow for relative costs associated with the size of the university.

We then had each university converted to a number of units which were completely artificial as distinct from enrolment and costs returns from which they were derived, but which comprised a carefully arrived at set of figures so that we could say that the 'size' at Sydney was so and so, and the 'size' at Melbourne was slightly less. In doing that we had to make allowances for other special factors which are individual to universities but which we felt, and which the Vice-chancellors suggested, might be considered."

(Committee's italics.)

180. The basic principle of the Commonwealth's grants has been, and continues to be, that they are supplementary to the income derived by the universities from State grants and fees. The supplemental nature of the Commonwealth grant has been retained in the 1956 legislation by providing that, for the Commonwealth grant to be payable, each recipient university must receive a certain income from fees and State grants. Once that amount has been received—and it appears that every university will receive it in 1956—the basic Commonwealth grant is payable to the State for the university. The maximum amount payable to a State in respect of any university is set out in the Act. Amounts additional to the basic grant are attracted by the university receiving, for every £3 received from State grants and fees over and above the qualifying income from those sources that is set down in the Act, a pound additional to the basic grant.

181. The Director informed us that his advice on the grants was prepared bearing in mind the situation "as it was likely to be at the beginning or the middle of the next year" (1957).

182. The university situation is changing rapidly. As we indicated earlier in our Report, the student population at universities has already returned to the post-war peak. With the age-grouping of the Australian population as it is, primary and secondary schools are at present grappling with very large immediate and prospective increases in the students seeking education. It is clear that the universities will soon be, if they are not already, faced with a similar problem, and that they will not be able to cope with the additional numbers desiring university education without major increases in their facilities.

183. Any estimates of the Australian university student population for future years are necessarily somewhat tentative. If account is taken only of population increase, with no allowance for further migration, the following figures of university enrolments would result in a student population of some 32,000 by 1958, 34,000 by 1960 and 44,000 by 1965:—

1914	..	..	..	..	..	..	..	..	..	4,274
1924	..	..	..	..	..	..	..	..	..	7,338
1934	..	..	..	..	..	..	..	..	..	10,197
1943	..	..	..	..	..	..	..	..	..	11,675
1944	..	..	..	..	..	..	..	..	..	12,966
1945	..	..	..	..	..	..	..	..	..	15,586
1946	..	..	..	..	..	..	..	..	..	25,585
1947	..	..	..	..	..	..	..	..	..	30,477
1948	..	..	..	..	..	..	..	..	..	32,453
1949	..	..	..	..	..	..	..	..	..	31,753
1950	..	..	..	..	..	..	..	..	..	30,630
1951	..	..	..	..	..	..	..	..	..	31,671
1952	..	..	..	..	..	..	..	..	..	29,641
1953	..	..	..	..	..	..	..	..	..	28,792
1954	..	..	..	..	..	..	..	..	..	29,374
1955	..	..	..	..	..	..	..	..	..	30,708*

* The figure quoted in Paragraphs 183-184 are of gross enrolments and therefore include full course, part course and external students.

184. If migration is maintained at about the same net level as at present, future enrolments will be larger still. By 1958 we could expect perhaps 34,000 students; by 1960, 36,000 and by 1965, 48,000. On this assumption there would be an increase in the next four years of about 6,000 students, or of 20 per cent. on 1955 enrolments. When to these facts is added the further consideration that the proportion of the 17-22 years age-group attending universities has risen steadily throughout the post-war years (it was 231 per 10,000 in 1946—excluding Commonwealth Reconstruction Training Scheme students, 325 in 1950 and 432 in 1955) and appears still to be rising, the situation assumes further urgency. For instance, if the student enrolment as a proportion of the population increases at the same rate as between 1951 and 1955, and if increases from population and migration continue on the present trend, then there would be about 35,000 students in 1958, 39,000 in 1960, and 54,000 in 1965. That is an increase of 30 per cent. in the next four years over the 1955 enrolment.

185. An examination of the finances of the universities reveals the fact that Government grants have steadily increased as a proportion of the total income of universities. They now represent rather more than 75 per cent. of total university income, and fees about 20 per cent. The remaining 5 per cent. is derived from endowments and gifts. The following table, compiled from material in "University Statistics", tells the story:—

Year.	Total Income.	Government Grants.			Students' Fees*	Other* Sources.	Government Grants as Percentage of Total Income.	Fees as Percentage of Total Income.
		State.	Commonwealth.	Unspecified.				
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	Per cent.	Per cent.
1914†	238	..	..	117	72	..	49	30
1924†	592	..	..	281	151	..	47	26
1934†	614	..	..	217	221	..	35	36
1943	1,115	..	41	424	225	425	42	20
1944	1,283	..	64	524	246	449	46	19
1945	1,381	..	72	538	303	468	44	22
1946	2,003	475	376	35	521	596	44	26
1947	2,297	538	485	27	640	607	46	28
1948	2,830	810	550	31	766	673	49	27
1949	3,287	1,065	726	34	771	691	56	23
1950	3,984	1,531	822	36	697	898	60	18
1951	6,121	2,464	1,569	36	919	1,132	66	15
1952	7,172	3,376	1,343	..	1,138	1,315	66	16
1953	8,882	3,542	3,018	..	1,167	1,155	74	13
1954	11,013	5,032	3,165	..	1,264	1,552	74	11

* Includes income in respect of earlier years in 1952, 1953 and 1954.
† Series not continuous with that used for later years.

186. The conclusion must be that universities are facing a period of very rapid, if not unprecedentedly rapid, development. When it is borne in mind that existing buildings and other facilities, and current staff levels are generally admitted to be no more than adequate, if that, for present needs, the way ahead seems beset with difficulties.

187. Your Committee consider that it would not be appropriate for us to conduct a full-scale inquiry into the needs of universities. That is a task not required by the scope of our present Inquiry and is of such magnitude as to discourage us from attempting an investigation.

188. However, one conclusion emerging clearly from the facts sketched above is that the main sources of finance will have to remain the same as at present. The result is that if the needs of the universities are to be met, and even if the governmental proportion of the total finances required remains the same as at present, governments will have to bear a rapidly increasing burden of university finance. From this obligation Your Committee see no escape. The Commonwealth is now inextricably associated with the provision of funds for universities and will therefore find it necessary to contribute its share.

189. Your Committee recommend that without delay an inquiry be made into the future needs of the universities for funds. We observe that the Commonwealth is, as a matter of policy, supporting the universities financially, but that at the same time is leaving the universities clearly as State responsibilities. Your Committee consider that this policy is sound.

190. We have (see Chapter VI. above) already pointed to some instances where the Commonwealth has made approaches direct to the universities and have observed that on some occasions these activities may conflict with the main principles of the Commonwealth Scholarship Scheme and of the State Grants for university purposes (see also paragraphs 155-156).

191. There are dangers that ad hoc grants will encroach upon these larger principles. There are even greater dangers that, as the amounts of the grants grow larger, governments

will find increasing temptations to and reasons for intervening in university management. From all sides will come calls for more specialists—for scientific work, for defence work, for automation, for agriculture—and with them suggestions for more control or more grants.

192. The next problem is what sort of advice the governments should seek. In the first place the Commonwealth Government needs to have the facts placed before it. But that is not so simple as it sounds, because we live in a Federal System. Thus the Commonwealth contributes at the present time only some 25 per cent. of university funds, and has expressly made its grants dependent upon those made by the States. Moreover, the Commonwealth is now responsible for two university institutions of its own—the Australian National University and the Canberra University College.

193. All these form part of the relevant facts, and it may be that State agreement should be obtained to the making of the inquiry. The States might also be consulted as to the terms of reference of the inquiry. We recall that the special committee appointed in 1950 to examine and report upon the finances of universities was to have considered the future of university finance; but that it did not proceed beyond the first stage of its terms of reference, an inquiry into their immediate needs. Thus no comprehensive inquiry into the needs of Australian universities has ever been made.

194. Once the facts have been assembled, it is necessary to decide what form the administration of the Commonwealth grants should take. We do not put aside the possibility that the first task of the administering body might be to assemble the facts for proper consideration.

195. In the United Kingdom an offshoot of the Treasury, that has been allowed almost complete formal and de facto independence, was appointed to recommend the grants the United Kingdom Government makes to the universities. Established by Treasury Minute in 1919, the University Grants Committee (U.G.C.) has developed since then a procedure by which grants are recommended for a period of five years at a time—a quinquennium.* It has developed close but mainly informal relationships with the universities. In an American symposium,† one of the authors has this to say about the independence of the universities:—

"Save for Cabinet decision on the total amount that the Treasury will put up for the five-year period, the government keeps its hands off. Incidentally, it may be remarked that the U.G.C. and the universities are rather keen on this five-year period. It permits planning on more than a year-to-year basis. If the government did interfere, the members of the Committee would not stand for it. Decisions have to be taken at the ministerial levels as to how much will be put up (Sir Stafford Cripps, as Chancellor of the Exchequer, determines the gross sum and then as Minister of Economic Affairs decides how much can be used for capital outlays), but thereafter the Committee runs the show in informal consultation with permanent officials whose only concern is that the general picture will seem pleasing and will not be subject to criticism in any important respect. No one can recall a question being asked in the House of Commons by a member as to why an institution in his constituency had been stably treated. The Speaker would probably not allow the question on the ground that the government is responsible only for the adequacy of the total amount and cannot be heckled on details in respect of its allocation (the principle applied to questions about the British Broadcasting Commission and the nationalized industries). No one can recall that on any one of the days given to Supply, the House of Commons has ever debated the functioning of the U.G.C., which now occupies a position that has become far more important than anyone thirty years ago could have foreseen."

196. The United Kingdom Public Accounts Committee has repeatedly since 1948-49 suggested not only that the University Grants Committee should be given statutory authority; but also that some measure of audit of university accounts should be undertaken by the Comptroller and Auditor-General. The Treasury has, on each occasion, resisted firmly the suggestion of the Committee that:—

"Parliament is entitled to expect assurances, based on some broad examination of the Universities' financial arrangements, that the grants are administered with due regard to economy. The information at present does not enable Parliament to form an opinion."

197. From even this broad sketch of the operation of the University Grants Committee, it can be seen that it is an institution that would not readily operate in Australia. Authorities from the United States of America have in recent years looked enviously at the University Grants Committee, but have had reluctantly to conclude that it is not an exportable commodity:—

"In the United States, on the federal level, any adaptation of the British System is well-nigh inconceivable. Congress or the Treasury or the Bureau of Education would not keep hands off. The country is so vast and the number of institutions is so large that even if the Washington atmosphere were as favorable as the Whitehall atmosphere, a single University Grants Committee would face an impossible task."

But query—Could one of the commonwealths adapt the idea and distribute state money in the way in which the U.G.C. allocates British Treasury grants? If it did so, any American state committee would be well advised to adhere to the principles mentioned above: few, if any, earmarked grants and a sedulous concern for the preservation of university autonomy."

* For an excellent article on the U.G.C. and its relationships with the Public Accounts Committee, the Treasury and the Universities, see an article entitled "Parliament and the University Grants Committee," in the English "Public Administration," Volume XXIV, Spring, 1956, page 78.
† "Government Assistance to Universities in Great Britain" by H. W. Dodds, President of Princeton University, Louis M. Hacker, Dean of the Faculty of General Studies, Columbia University, and Lindsay Rogers, Burgess Professor of Public Law, Columbia University, New York. Columbia University Press, 1952.
† 1944.

198. In Australia the existence of a Federal system, with State Governments responsible for education and the Commonwealth having only minimum powers in that field makes extremely difficult any form of Grants Committee modelled closely on the English pattern, even if the body set up were to confine itself strictly to the determination of the size and terms of availability of Commonwealth grants.

Section 5 (3)(f).
Q. 712.
199. The present system of Commonwealth grants to the States for universities is administered by the Commonwealth Office of Education. That Office is given by the *Education Act 1945* the function of advising the Minister "concerning the grant of financial assistance to the States and other authorities for educational purposes". It is the main source of advice to the Government in respect of grants to States for universities. Thus, in one sense, the Australian institutional framework is similar to that of the United Kingdom: the grants are recommended by a government instrumentality, though in our case the instrumentality is an offshoot of the Prime Minister's Department, not of the Treasury.

See Paras. 9-11, above.
Qs. 721-723.
200. It is possible that the Universities Commission, also created by the *Education Act 1945*, could if re-organized advise the Commonwealth Government on the grants it should make for universities. As at present constituted it has as Chairman the Director of the Office of Education and as members an officer of the Commonwealth Treasury, a headmaster of a denominational school (now a professor-elect of education in Melbourne) and an ex-member of the professional staff of Sydney University. But it is small in size and is not suited to the essentially ambulatory and investigating functions of the University Grants Committee, which has a full-time Chairman and seventeen part-time members. Moreover, the functions of the Universities Commission, as laid down in the Act, do not include advice or other functions in regard to assistance to the States for universities. While the advice given by this body is available, and useful, to the Director in respect of the Commonwealth Scholarship Scheme and the Commonwealth Reconstruction Training Scheme, it is not in a formal sense available on the question of Commonwealth grants to States for universities.

201. However, as mentioned above, if the Universities Commission were reconstituted and its functions re-defined to conform to its title, it might prove a workable solution. To draw upon the competence and to enjoy the confidence of all the interests concerned, it may need to represent among others the Commonwealth Treasury, the Universities, the Universities Commission, and the Office of Education.

202. The Australian Vice-Chancellors' Committee could be asked to perform the necessary investigatory and advisory functions, but this body is probably, of all the existing instruments, the least satisfactory alternative. Its members are busy executives and would naturally feel it incumbent upon them to press the needs of their own universities. Professor Partridge* appears to have summed up the essential disadvantage in the following section of his lecture to the British Commonwealth Inter-University Conference on "The Australian Universities and Governments":—

"There are a number of reasons why it seems unlikely that a body like the Vice-Chancellors' Committee could undertake the task of deciding the distribution of Commonwealth provided funds and of planning the limited sort of specialization and concentration I have been supporting. However detached and broad minded the Vice-chancellors might be, it is inevitable that they should be largely influenced by their duty to watch the interests of their own universities, and of course their primary concern will always be their relations with their own State governments."

203. Your Committee do not wish to canvass all possibilities, but it is our firm belief that more satisfactory machinery than operates today must be found to link the needs of universities to the resources of the Government.

204. It is desirable that the grants should be made so that universities could plan for a period of years: three years, the normal life of the Commonwealth Parliament, might be taken as a beginning. We have already mentioned that they will have to be made by a body in which is reposed the trust of the Government, the universities and the general public. And they must be so made as to preserve the autonomy of the universities.

205. On the latter question, Your Committee note with interest that Sir Hector Hetherington, Principal of the University of Glasgow, who is familiar with the work of the University Grants Committee, made the following comment on the way in which the Committee is gradually taking an initiative in university development:—

"As well as being enlarged in its membership the Committee has found itself entrusted with wider functions. The primary task is still to advise the Chancellor on the financial needs of the Universities and on the distribution of the sums voted by Parliament. But it has also to collect and make available information about the British Universities: and finally—this is the material point— to assist in consultation with the Universities and other bodies concerned the preparation and execution of such plans for the development of the Universities as may from time to time be required in order to ensure that they are fully adequate to national needs'. Here, since 1946, is a new beginning—a specific injunction to the Committee not merely to take the Universities as they

* In "A Symposium on the Place of the Australian University in the Community", published by the Australian Vice-Chancellors' Committee, at page 26, (1953).
† In "The British University System 1914-1954", Aberdeen University Studies No. 133, page 7.

find them and to pass judgment on their proposals, but to move towards the development of a national university system. Hitherto, as I have said, there has been no such thing. Local initiative had made the Universities and Colleges: and Government came in after the event, to help and encourage, and as we have seen, to take gradually increasing share of the financial burden; but always in the second place. Now the warrant is there for positive initiative: and it has been increasingly used. True, the Committee neither has nor desired power to require any University to adopt any suggestion which it makes. But it can offer large subventions, sometimes 100 per cent., in aid of any development which it would like to see: and equally it can discourage developments of which it does not approve by indicating that these will not be taken into account in the Committee's assessment of grant.

These are powerful inducements, even sanctions. They represent the most important step which has yet been taken in the relations of Government and Universities, and it would not be a very long further step to central direction and control. But for myself, I do not think that the Chancellor could or should have refrained from laying upon the Committee this larger responsibility. The time had come when the Government was bound to assure itself that somewhere in the University system provision is made for every field of scholarship or science which is necessary to the national interest: and this was the right way to do it."

206. As for existing Commonwealth supervision of the grants made to the States for universities, the Director assured us that:—

"... (Mr. Weeden) We are able to say, in accordance with the Act, that the money has been spent for university purposes. Qs. 754-755.

COMMITTEE MEMBER.—That is the limit to which you can go?—(Mr. Weeden) I have never been directed to go beyond that."

207. The Commonwealth Auditor-General does not follow the Commonwealth grant beyond its due receipt by the State Governments. When received by those Governments, the Commonwealth's responsibilities are at an end. The Director must ensure that the Commonwealth grants are expended in accordance with the conditions laid down: but the supervising authority in this case is the State Auditor-General, not the Commonwealth Auditor-General.

208. Your Committee consider that the present form and extent of supervision of the expenditure of the Commonwealth grants are adequate. The freedom of the universities is of paramount importance. On the other hand, some account of the use made of Commonwealth money would be valuable. The machinery that ought, in our opinion, to be devised to enable at least the Commonwealth grants to be placed on a satisfactory basis might well make available further information about the use of Commonwealth funds.

CHAPTER X.—SUMMARY.

STAFFING.

1. The staff of the Office of Education at 1st July, 1956, consisted of 203 officers (in July, 1951, it had been 375) distributed throughout the capital cities of the Commonwealth (except Hobart). At the Head Office in Sydney there are 164. (Paragraphs 17-19.)
2. The Universities Commission has no administrative staff and its executive work is carried out for it by the Office of Education, whose Director is also Chairman of the Commission. (Paragraphs 10-11.)
3. The Public Service Board assured us that the staff of the Office is not larger than necessary. (Paragraph 22.)

FINANCE.

4. The financial transactions of the Office of Education (for 1954-55 except where otherwise indicated) include:—

(a) General Administration (which includes (b), (c), (d), (e)) (1955-56)—

	£	£
(i) Salaries	169,000	
(ii) General Expenses	19,800	
(iii) Miscellaneous	5,900	

194,700

(b) Expenditure on Education of Adult Migrants (Paragraph 44.) ..	33,000
(c) Expenditure on Research Services (Paragraph 14.)	14,800
(d) Expenditure on Colombo Plan, &c. (Paragraph 57.)	30,300
(e) Publication of a new journal for Asian students (1956-57), to cost (Paragraph 89.)	10,000

to
15,000

(f) Advances to States for Commonwealth Scholarship Scheme

(Paragraph 147.) 983,782

(g) States Grants (Universities) 1,544,402

5. Other expenditure associated with the activities of the Commonwealth Office of Education for 1954-55 except where otherwise indicated) was:—

(i) From the Vote of the Department of External Affairs for Colombo Plan of £4,500,000—		
Total expenditure from Colombo Plan Vote was ..	2,394,000	£
Payments by the Office to students from Colombo Plan Vote were (Paragraphs 30, 67, 68.) ..	206,841	
(ii) From the Vote of the Department of Immigration for Education of Non-British Migrants of £300,000—		
Expenditure attributable to the activities of the Office of Education was ..	9,700	
Administrative expenditure of the Commonwealth Office of Education was (Paragraphs 44-48.) ..	33,000	
Office of Education expenditure on the provision of Teaching Aids ("English a New Language") was (Paragraph 48.) ..	354	
(iii) Office of Education—Expenditure on External Relations—		
	£	£
Colombo Plan	30,000	
Unesco	16,600	
Other (Paragraphs 57, 79.) ..	10,200	
	26,800	
	56,800	

(The Vote of the Department of External Affairs for Unesco was £84,800, expenditure being £72,800.) (Paragraph 82.)

6. Your Committee consider that the presentation in the Estimates of the expenditure of the Office of Education should be altered to show the cost of the services provided by it for other Departments such as External Affairs and Immigration. (Paragraphs 33-37.)

EDUCATION FOR ADULT MIGRANTS.

7. Your Committee have been assured that value is obtained for the expenditure on migrant education. (Paragraph 51.)

8. Expenditure upon "Teaching Aids—Migrant Education" has been substantially below the Estimate in recent years. Your Committee consider that it should have been possible to make a more accurate estimate. (Paragraph 47.)

9. A more appropriate description of the present title "Teaching Aids—Migrant Education" might be found. (Paragraphs 48, 49.)

10. Your Committee doubt whether the times at which lessons are broadcast to migrants justify the resources expended in their preparation. (Paragraph 54.)

EXTERNAL RELATIONS ACTIVITIES.

11. The Estimates of the Office (contained in Division No. 16) give no separate indication of its expenditure upon external relations. (Paragraphs 56-59.)

12. Funds are provided for three schemes by which Asian students can gain awards for studying in Australia. The schemes are:—

- (i) the Colombo Plan,
- (ii) the Australasian Scholarship Scheme, and
- (iii) the United Nations Technical Assistance Programme. (Paragraph 60.)

13. The Minister for External Affairs is responsible for training under the Colombo Plan. (Paragraph 61.) Of 1,600 students who have visited Australia under the Colombo Plan, 700 have while in Australia been the responsibility of the Office of Education. (Paragraph 62.)

14. The cost to the Office of Education of caring for Asian students under the Colombo Plan was £30,300 for 1954-55. (Paragraph 67.)

15. The Office paid £206,841 to students for their living allowances, fees, special travelling allowances and incidentals in 1954-55. (Paragraph 68.) This sum came out of the External Affairs Vote of £4,500,000 for the Colombo Plan. (Paragraph 68.)

16. Since the Office spends large sums on work necessitated by activities of the External Affairs Department, Your Committee consider that the Office might reasonably claim that expenditure as a deduction from its own Estimates. (Paragraph 71.)

17. Your Committee are assured that the present distribution of functions as between the Department of External Affairs and the Office of Education is economically advantageous. (Paragraph 73.)

18. The main function of the Office in regard to Unesco is to arrange in Australia programmes that will fulfil Australia's obligations as a member of Unesco. (Paragraph 77.)

19. Of the £26,800 spent by the Office on external relations in 1954-55, £16,600 is attributable to Unesco activities. (Paragraphs 79, 80.)

20. The Department of External Affairs also has a vote for Unesco purposes. In 1954-55 it was £84,800. This vote covers, amongst other things, the cost of representation at Unesco. (Paragraph 82.)

21. Your Committee consider that the entry on the Estimates relating to the external relations activities of the Office should indicate more clearly the purpose of the Vote. (Paragraph 84.)

22. Your Committee were told that it would not be desirable to amalgamate the administrative organization of the student awards made under the auspices of the Colombo Plan and the United Nations Technical Assistance Programme. (Paragraph 85.)

23. A similar opinion was expressed in regard to smaller scholarship schemes supervised by the Office, e.g., the training of Nauruan secondary school pupils. (Paragraph 87.)

24. Approval has been given to the publication of a new journal for distribution to Asian students, which will add to the cost of the Office by an amount between £10,000 and £15,000 per annum. (Paragraphs 89-90.)

MISCELLANEOUS "GRANTS-IN-AID".

25. The Commonwealth makes seven "Grants-in-Aid" for educational purposes. (Paragraph 96.) A total of £38,450 was voted for 1955-56 and £30,702 was spent. (Paragraph 96.)

26. In their Seventeenth Report, Your Committee said that voluntary organizations receiving Commonwealth grants should not be hampered by a too rigid scrutiny of their activities. Those remarks should be applied to the grants mentioned in the previous paragraph. (Paragraph 95.)

27. Preparation and publication of *Current Affairs Bulletin* has been handed over to the University of Sydney, which received a grant of £4,750 for that purpose in 1954-55. (Paragraph 99.)

28. The Australian Council for Educational Research receives a grant of £5,000 on the condition that the States match that grant. (Paragraph 101.)

29. The Cabinet decided in 1951 to arrange for the teaching at University-level of the Chinese, Japanese and Russian languages. The Government approached the Canberra University College to do the teaching and provided a grant of £5,000 in 1954-55 towards the costs involved. (Paragraphs 110-113.)

30. The Universities of Sydney and Melbourne and the Canberra University College have been similarly asked to arrange for a course of Indonesian and Malayan Studies. The Estimate for 1955-56 was £22,000, of which only £9,000 was spent because of the difficulty in getting qualified teachers. The provision of the courses will ultimately cost not less than £30,000. (Paragraphs 114, 115.)

31. Your Committee understand that the Government made direct approaches to the Universities of Sydney and Melbourne instead of negotiating through the State Governments. If the position be as stated, it is possible that the action may embarrass the Government in the future. (Paragraphs 116-118.)

32. The Commonwealth makes grants to train students in occupational therapy in New South Wales and Victoria. The Vote for 1955-56 was £3,200, expenditure £3,436. (Paragraphs 125-127.)

33. In May, 1956, a grant was approved for the College of Nursing (Australia) and the amount of £1,882 will appear in the Supplementary Estimates for 1955-56. (Paragraphs 128-130.)

34. There is another institution providing advanced training for Nurses and it is likely that an application for a grant will also be made by it. (Paragraph 133.)

35. Your Committee suggest that care should be taken to investigate, when making grants of this character, the likelihood of additional commitments being incurred. (Paragraph 133.)

36. Your Committee also draw attention to the different conditions under which grants have been made for occupational therapy and the College of Nursing. In grants of this character, it may be better to fix a ceiling rather than a sum that varies with circumstances. (Paragraphs 134, 135.)

37. The cost of distributing the Australian Ensign to Schools was £300 in 1955-56, although the Vote was for £500 as in former years. (Paragraph 137.)

38. Your Committee suggest that a Ceremony of presentation should be arranged and care taken to indicate the part the Commonwealth plays in the presentation. (Paragraph 139.)

THE COMMONWEALTH SCHOLARSHIP SCHEME.

39. Under the Commonwealth Scholarship Scheme, funds are provided to allow 3,000 students to enter the universities annually. (Paragraph 140.)
40. There are three classes of Scholarships—
 (i) Open entrance Scholarships awarded at matriculation.
 (ii) Awards at the end of first, second or third year of a University course to students not previously Commonwealth Scholars.
 (iii) Mature age scholarships, 100 of which are awarded on the general record of persons over 25 but under 30 years of age. (Paragraph 142.)
41. The total number of scholarships held at the beginning of 1954 was 9,074. (Paragraph 142.)
42. The Scheme is controlled by the Universities Commission but the day to day administration is entrusted to the States. (Paragraphs 140, 143, 144.)
43. The Office reimburses the States for their expenses in administering the Scheme. (Paragraph 145.) In 1954-55 the reimbursement amounted to £39,453. In addition, the Commonwealth incurred administrative costs amounting to £9,600 for Salaries, and £1,800 for General Expenses during 1954-55. (Paragraph 146.) Thus it cost £50,853 to supervise the expenditure of £944,000 for Scholarships. (Paragraph 147.)
44. Your Committee agree that the amount spent in administering the Scholarship Scheme is reasonable, and would add that the money costs are not the only criteria by which to judge the results. (Paragraph 147.)
45. The Office receives Certificates from the State Auditors-General that the Vote was spent for the purposes intended; the Commonwealth Auditor-General also conducts an appropriate audit. (Paragraphs 148-150.)
46. At the inception of the Scheme, the Commission recommended to the Government that Scholars should be free to choose the course they wished to pursue. (Paragraph 152.)
47. The Government accepted the recommendation and Your Committee agree with that decision. (Paragraph 154.)
48. Guidance Officers at the universities help students to map out the courses they wish to follow, but no compulsion is exerted. (Paragraph 153.)
49. The Director told us that the Atomic Energy Commission and the Australian Agricultural Council offer special scholarships to induce students to undertake studies of value to those Authorities. (Paragraph 155.)
50. In the opinion of Your Committee care should be taken lest ad hoc awards conflict with the purposes of the Commonwealth Scholarship Scheme, and other assistance to universities. (Paragraph 155.)

THE COMMONWEALTH RECONSTRUCTION TRAINING SCHEME.

51. The Universities Commission has been responsible for the Commonwealth Reconstruction Training Scheme since its commencement in 1943, and the cost to the Commonwealth has been nearly £16,500,000. (Paragraph 156.)
52. The payment of allowances to students and their training is arranged and supervised by the Commonwealth Office of Education. (Paragraph 157.)
53. In addition to the original Commonwealth Reconstruction Training Scheme, training is provided under the Korea and Malaya and the Widows' Training Schemes. All three are administered by the Office of Education. (Paragraph 158.)
54. After World War II, the Commonwealth Reconstruction Training Scheme assisted thousands of ex-servicemen to gain a university education, and to make that possible helped to provide buildings and equipment for the universities. (Paragraphs 159, 160.)
55. The buildings the Commonwealth provided had a value of approximately £1,000,000 while the equipment cost over £500,000. (Paragraph 160.)
56. The Office of Education has a record of the buildings and equipment owned by the Commonwealth. (Paragraphs 162, 163.)
57. Your Committee were told by the Director that the Universities Commission is arranging to discuss what is to be done with the Commonwealth property. (Paragraph 163.)
58. It is clear that the buildings and equipment are no longer being used for the purposes for which they were originally provided, since the number of trainees under the Commonwealth Reconstruction Training Scheme has declined from several thousand at the peak period to 128 full-time and 276 part-time students in 1955, and in 1956 there were only half as many as in 1955. (Paragraphs 164, 167.)
59. Having regard to the changing conditions of Commonwealth aid to the universities, for the Commonwealth to own property which is used by the universities for ordinary academic purposes is anomalous. (Paragraphs 164-169.)
60. Your Committee therefore urge expedition in deciding what is to be done with the property. (Paragraph 167.) The question will entail discussion at a government to government level. (Paragraph 169.)

61. Having regard to all the circumstances, Your Committee agree with the Director that the now closing stage of the Scheme should not be interfered with. (Paragraph 174.)

GRANTS TO STATES FOR UNIVERSITIES.

62. Following the recommendation of a special Committee, the Commonwealth enacted legislation in 1951 and subsequent years to grant financial assistance to the States for their Universities. (Paragraphs 175-178.)
63. A cardinal condition of such grants was that the States should retain unimpaired their financial responsibility for the State Universities. (Paragraph 180.)
64. The legislation passed in 1956 altered the manner of computing the grants to the States, but not the principles mentioned. (Paragraphs 178, 179.)
65. The Universities' situation is rapidly changing. Estimates of the university student population suggest that in four years there will be an increase of about 6,000 students or a 20 per cent. increase on the 1955 enrolments. (Paragraphs 183, 184.)
66. If, in addition, student enrolment as a proportion of the age group between 17 and 22 increases at the same rate as in 1951-55, and the present migration inflow is continued, there may well be an increase over the 1955 enrolment of about 9,000 students, or of 30 per cent. in the next four years. (Paragraph 184.)
67. Government Grants (State and Commonwealth) to the Universities represented in 1955 about 75 per cent. of the total University income. (Paragraph 185.)
68. The most cursory examination of University finance suggests that Governments will have to provide an ever increasing proportion of University income. (Paragraph 188.)
69. Your Committee recommend that consideration should be given immediately to reconstituting the body which advises the Commonwealth Government upon the nature and amount of assistance to be given to the States for the Universities. (Paragraphs 189-194.)
70. It is desirable to replace annual grants by a system that allows the universities scope to plan for their future development. (Paragraph 204.)
71. The Australian constitutional and political system precludes the creation of an instrumentality similar to the University Grants Committee in England. (Paragraphs 195-198.)
72. Nevertheless, the Government needs competent advice tendered by an authority that possesses the confidence of all the interests concerned, and that will safeguard the academic freedom of the Universities. (Paragraph 201.)
73. Your Committee suggest that such an authority might represent amongst others the interests of the Treasury, the Universities, the Universities Commission and the Office of Education. (Paragraph 204.)

* * * * *

In concluding this Report Your Committee emphasize our view that "Organizations such as the Office of Education, which have no closely definable sphere of activities, are prone to expand beyond what might be regarded as a reasonable size". (Paragraph 22.)

The cost of the Office of Education and its associates is substantial, and the sums that it spends or administers for other Agencies or Departments are even more so.


These figures, quite apart from the functions discharged, emphasize our warning against the tendency to expansion. Particular care should be taken to ensure that, amongst other things, the educational fields of the States are not trodden upon.

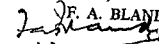
From the performance of the specific duty of arranging the Commonwealth Reconstruction Training Scheme, the Office has been invited to undertake and has been clothed with authority to discharge a very wide range of functions because they embrace something of an educational character.

The Director of the Office assured us that his policy was never to undertake a task that could be done efficiently and economically by another governmental agency. The transfer of the Commonwealth Scholarship Scheme to the States, and of *Current Affairs Bulletin* to Sydney University confirms this attitude.

Your Committee appreciate the fact that the present Director of the Office of Education has assured us that he is fully alive to these matters.

On behalf of the Committee,


 PETER H. BAILEY, Secretary,
 Joint Committee of Public Accounts,
 Parliament House, Canberra, A.C.T.,
 6th September, 1956.


 F. A. BLAND,
 Chairman.

DEPARTMENT OF THE PRIME MINISTER — OFFICE OF EDUCATION

ORGANISATION AS AT 1-7-56

DESIGNATION	SALARY SCALE £	NO OF POSN																							
		P	T	TOT.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
SECOND DIVISION																									
DIRECTOR	3050	1																							
THIRD DIVISION																									
CONSULTANT	2603 - 2933	1																							
DEPUTY DIRECTOR	2363 - 2743	1																							
CHIEF EDUCATION OFFICER	2743 - 2933	1																							
ADVISOR & FINANCE OFFICER	2608 - 2773	1																							
SENIOR EDUCATION OFFICER	1908 - 2403	2																							
SILVER EDUCATION OFFICER	1803 - 2053	3																							
ACCOUNTANT	1803 - 2053	1																							
JOURNALIST	1803 - 2048	1																							
SENIOR EDUCATION OFFICER	1773 - 1843	2																							
SENIOR EDUCATION OFFICER	1658 - 1833	6																							
CLERK (S&P) (INC OFFICER)	1658 - 1833	7																							
JOURNALIST GRADE A	1773 - 1793	1																							
EDUCATION OFFICER GRADE #	1443 - 1773	4																							
EDUCATION OFFICER GRADE #	1323 - 1533	22																							
CHIEF INSTRUCTOR	1353 - 1533	1																							
CLERK (INC OFFICER EP)	1353 - 1533	3																							
EDUCATION OFFICER GRADE 2	1263 - 1443	11																							
ASSISTANT ACCOUNTANT	1263 - 1443	1																							
CLERK	1173 - 1353	1																							
EDUCATION OFFICER GRADE 1	903 - 1353	7																							
INSTRUCTOR	903 - 1353	3																							
CLERK (INC OFFICER GR)	803 - 1263	1																							
CLERK	803 - 1263	3																							
CLERK	593 - 1173	8																							
CLERK	503 - 803	2																							
CLERK	473 - 593	7																							
LIBRARIAN	363 - 523	1																							
CLERK	363 - 503	2																							
CADET EDUCATION OFFICER	363 - 503	2																							
FOURTH DIVISION																									
CLERICAL ASSISTANT GRADE 4	853 - 893	1																							
ASSISTANT PRINTING GRADE 1	818 - 858	1																							
CLERICAL ASSISTANT GRADE 3	758 - 798	6																							
CLERICAL ASSISTANT GRADE 2	698 - 738	3																							
CLERICAL ASSISTANT GRADE 1	638 - 678	25																							
TYPIST IN CHARGE GRADE 1	763	1																							
TYPIST (FEMALE) (S&P) GRADE 1	608 - 734	1																							
TYPIST (FEMALE)	554 - 674	20																							
TYPIST PHOTO-LITHO	654	1																							
JUNIOR ASSISTANT	523 - 583	2																							
TOTAL POSITIONS		176	127	202																					
PERMANENT POSITIONAL NUMBERS					101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	
TEMPORARY POSITIONAL NUMBERS					121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141
SUB - SECTION					ACCOUNTS	SUPPLY & EQUIP.	STAFF & ESTAB.	RECORD TYPIST RELIEF	TRAINING	TRAVEL	INTERNATIONAL RELATIONS	RESEARCH & SURVEYS	MIGRANT EDUCATION	EDUCATIONAL SERVICES											
SECTION					CENTRAL OFFICE												MELBOURNE	BRISBANE	WELLINGTON	PERTH					
NUMBER OF POSITIONS		203	164												22	6	7	4							
LEGEND..... PERMANENT POSITIONS ○ TEMPORARY POSITIONS □																									