

5

Radical subsidies

The election of the Whitlam Government in 1972 had a significant impact on the Australian foreign and domestic policy landscape. His approach in relation to higher education was radical. The removal of university fees was a historically significant decision that opened up access to Australian higher education to many previously excluded, bringing thousands of students into the country. These sweeping changes also impacted overseas students already in the country, such as 'private' students and those sponsored under various scholarship programs. Changes were also made to the aid and development sector, with the introduction of an agency focused on the delivery of aid: the Australian Development Assistance Agency (ADAA). The ADAA sharpened the Australian Government approach to aid and while the agency did not survive a change of government in 1975, it marked an important milestone in Australia's aid program and the development of policies related to aid and development.

As part of these profound changes to Australia's policy settings, Prime Minister Gough Whitlam did not, however, move the focus of Australia or Australia's foreign policy towards the Pacific. His active 'middle power' foreign policy was more focused on Asia and relationships with Indonesia and China.¹ The Whitlam Government's most comprehensive Pacific policy was related to the acceleration of independence in Papua New Guinea (PNG). For Whitlam, and Fraser after him, the broader Pacific was not an area of foreign policy focus. This is despite the 1970s marking a period of significant political and social change in the Pacific, with Fiji gaining independence in

1 Derek McDougall, 'Edward Gough Whitlam, 1916–2014: An Assessment of his Political Significance', *Round Table* 104, no. 1 (2015): 31–40, doi.org/10.1080/00358533.2015.1005360.

1970, and decolonisation being a part of Pacific political deliberations for the whole decade. Scholarships and the subsidies mentioned above did have an impact for many students in Pacific Island countries and territories, but while they were offered there, they were administered without a focus on the Pacific.

This chapter investigates the radical policy of overseas student subsidies introduced by the Whitlam Government and kept in place by the Fraser Government. Because of its size and scale, this subsidy scheme had a far greater reach and impact in Australia's geographic region than any previous or concurrent scholarship program. The chapter addresses the more formal scholarship programs that continued during this period, collectively known as Development Training Scholarships. It also addresses the development of a significant South Pacific regional institution, the University of the South Pacific (USP), and how USP both supported and conflicted with Australia's scholarship programs in the South Pacific over the 1970s and into the 1980s.

Until 1973, private overseas students in Australia (who were by far the majority of overseas students) paid the same tertiary fees as Australian students. Whitlam's policy of abolishing fees for tertiary study also applied to those overseas students. However, a quota of 10,000 overseas students was put in place.² This decision turned Australia's entire overseas students' cohort into an aid program overnight, with the government effectively underwriting the tertiary education of any student who could gain entry to an Australian institution (and also get a visa). Whitlam embraced this facet of the policy change, noting in a speech at the University of Adelaide in 1974 that while the previous system of fee-paying students had been an adjunct to the aid program, the abolishment of fees would 'considerably increase indirect assistance to private students of this kind', while he emphasised that most private students were coming from developing countries.³ Whitlam also used this speech to outline what he saw as the benefits of sponsored and private overseas students in Australia, both to the developing countries that they came from and returned to, and to Australia, where he saw the program as achieving the 'growth of bonds between Australia and the developing countries, a heightened level of understanding between us, and ... a withering away of xenophobia, isolationism and racism in Australia'.⁴

2 David Lim, 'Jackson and the Overseas Students', *Australian Journal of Education* 33, no. 1 (1989): 3, doi.org/10.1177/000494418903300101.

3 Gough Whitlam, 'Australia and Asia: The Challenge of Education (Speech at the University of Adelaide, 5 March 1974)', A1209, 1974/6740, 1974, National Archives of Australia (NAA).

4 Gough Whitlam, 'Australia and Asia: The Challenge of Education (Speech at the University of Adelaide, 5 March 1974)', A1209, 1974/6740, 1974, NAA.

The Whitlam Government was in power for less than two years after this speech. However, during that short period the ADAA was constituted, which had an impact on the way the overseas student policies, sponsored and private, were implemented and managed. These new administrative arrangements continued to influence the management of students, both positively and negatively, until a subsequent review in 1977.

The period over the 1970s and into the 1980s was marked by a number of changes in the way the Australian aid program was managed. The short-lived nature of the ADAA, and then the creation of the Australian Development Aid Bureau (ADAB) within the Department of Foreign Affairs, led to focus being placed on the administration (rather than the implementation) of aid. Nevertheless, scholarships were still being provided under the Colombo Plan, and the aforementioned Development Training Scholarships. The administration of those programs was shared across the Department of Education and the Department of Foreign Affairs, leading to confusion. This led to a review of the services provided to sponsored overseas students in 1977, which is discussed later in this chapter.

In 1979 the Fraser Government made an attempt to rein in what was an incredibly popular subsidy program with the introduction of an Overseas Student Charge (OSC), which was set at approximately 25 per cent of the full costs of tertiary education. This was part of a suite of policy changes also requiring overseas students to return to their home country for at least two years after completion of their studies before being eligible to apply for migrant entry to Australia.⁵

The 1970s were monumental in the politics and status of Pacific Island territories, colonies and nations. The year 1970 marked the independence of Fiji, after 10 years of constitutional negotiations between the United Kingdom, iTaukei leaders and Fijian Indian leaders. In this process, however, there was little community consultation or parliamentary debate, and independence was not universally supported by the indigenous iTaukei community in Fiji. As Tracey Banivanua-Mar noted, this process was ‘not about Indigenous nationalist movements making it impossible for colonial administrations to stay’,⁶ but more about the United Kingdom no longer having the funds or electoral mandate required to maintain an empire on the other side of the world. The process of independence also failed to resolve

5 John Goldring, *Mutual Advantage* (Canberra: Australian Government Publishing Service, 1984), 33.

6 Tracey Banivanua-Mar, *Decolonisation and the Pacific: Indigenous Globalisation and the Ends of Empire*, *Critical Perspectives on Empire* (Cambridge: Cambridge University Press, 2014), 159.

many of the lingering issues of race and representation, a stratification in Fijian society that had been encouraged by the colonial administration. Historian Brij Lal has written that the constitution did not resolve issues of race and representation:

the ‘consensus’ constitution of independent Fiji did not mark any radical departure from the colonial past; on the contrary, it entrenched the very same principles that had governed Fiji’s colonial politics.⁷

The situation across the Pacific was changing for many island territories and colonies; a process of decolonisation was forced as the British divested itself and the international community became less tolerant of wealthy nations maintaining colonies or trustee territories.⁸ This wave of change created unique problems for the small island states of the Pacific. Although Tuvalu’s independence came at the end of the 1970s, at independence ‘Tuvalu had just two university graduates, and in one ministry only the minister and his secretary had more than primary education’.⁹ Those that were educated, across the Pacific, were often the beneficiaries of tertiary education in the ‘metropole’, the universities of the imperial powers. Rosewarne noted that this ensured that ‘so many of the personnel who made up the independent states, including the incumbent political leaders, were products of the colonial systems’.¹⁰ This was not unique for decolonising nations across the world, but the nature of formal decolonisation and the small populations which characterised the Pacific made this reliance more complicated.

The growth of regionalism, not only the type forced by colonial powers, was also a feature of the 1970s. As territories became self-governing they were entitled to entry into the South Pacific Forum. PNG became a member in 1974, with Michael Somare, PNG’s Chief Minister, noting that their ‘ethnic and cultural ties were with the island nations of the South Pacific’,¹¹ a clear signal that PNG saw their political future tied firmly to the Pacific, not only Australia.

7 Brij V Lal, ‘Politics since Independence: Continuity and Change, 1970–1982’, in *Politics in Fiji: Studies in Contemporary History*, ed. Brij V Lal, 74–106 (Sydney: Allen & Unwin, 1986), 75.

8 Despite this shift in mood, both the USA and France have maintained territories in the Pacific.

9 Jack Corbett and John Connell, ‘All the World is a Stage: Global Governance, Human Resources, and the “Problem” of Smallness’, *Pacific Review* 28, no. 3 (2015): 445, doi.org/10.1080/09512748.2015.1011214.

10 Stuart Rosewarne, ‘Australia’s Changing Role in the South Pacific: Global Restructuring and the Assertion of Metropolitan State Authority’, *Journal of Australian Political Economy*, no. 40 (1997): 85.

11 ‘PNG Hails its New Ties with Islands’, *The Fiji Times*, 25 March 1974, 4.

Overseas student subsidies were introduced after higher education fees for domestic students were abolished by the Whitlam Government in 1974. The subsidies were not targeted or directed towards a particular nation or area of study. Students from any country in the world, but largely from the Asia-Pacific region, were able to come to Australia for school and tertiary education without incurring fees. This opened up access to many in the region who could not have previously afforded study in Australia. The funding for international students by the government quickly became part of university funding structures, and overseas students became a larger proportion of students on campus. In 1974, just prior to the introduction of subsidies, overseas students made up over 6 per cent of the university student population.¹² Some students were still sponsored via aid scholarship programs, but most students were privately funded. Some of these scholarships are discussed later in this chapter. The government was later able to claim the subsidy amount as a proportion of Australia's Official Development Assistance (ODA) when reporting to the Organisation for Economic Co-operation and Development's Development Assistance Committee (known as OECD DAC), marking it as an aid program. The subsidy scheme became a significant investment; by 1983 the Commonwealth was spending \$85.4 million on private overseas students through the subsidy arrangement.¹³

The subsidy program appealed primarily to nations with a strong or growing middle class, such as Malaysia and Singapore. The subsidy system allowed for private students to study in Australia, but it also allowed governments from around the region to sponsor their students to study in Australia without having to pay significant fees, allowing them to pay the stipends for a greater number of students. The subsidy program grew in popularity across the years after its introduction. In 1979 the subsidy scheme was amended by the Fraser Government to include an Overseas Student Charge (OSC). This was equal, at the time of introduction, to about 25 per cent of the potential 'full cost' fee. The revenue from the fee was not provided to the institution, but was considered part of the government's consolidated revenue. David Lim argued that:

12 This figure of 5,899 students was a reduction from a high of 6,300 students in 1972; Australian Universities Commission, *Report of the Australian Universities Commission* (Canberra: Australian Government Publishing Service, 1957), nla.gov.au/nla.obj-1363949525, accessed 29 July 2020.

13 Howard Conkey, 'Australia Benefits from Taking Foreign Students', *The Canberra Times*, 7 June 1984, 7.

[the] OSC was introduced because it was felt that Australia's policy on overseas students was not meeting the country's foreign aid and foreign policy objectives, and that the existing policy was abused as a means for back-door immigration.¹⁴

Importantly, the OSC was waived for students from PNG and the South Pacific, and paid by the government as a form of aid. The OSC did not overly damage the demand for Australian education, and the numbers of students continued to increase into the 1980s, even with the OSC in place.

By the 1980s the number of Pacific students taking advantage of the subsidies was only one fifth of the number coming from Asia, but between 1980 and 1982 there was an increase of nearly 71 per cent of students from Fiji, and a nearly 90 per cent increase in students from PNG.¹⁵ In 1980 only three students from Tonga were studying in Australia, but by 1982 the figure was 53.¹⁶ Despite these increases, the subsidy program was a minor component of the number of overseas students from the Pacific; for example, in 1983, 205 students from Tonga were sponsored and only 45 were subsidised. In PNG (after independence), 760 students were sponsored, and only 31 were subsidised. Reflecting its higher per capita income, Fiji had 244 sponsored students with 420 students subsidised.¹⁷ In 1982, students from the Pacific represented less than 5 per cent of all private overseas students in tertiary and post-secondary study in Australia.¹⁸

As the Table 5.1 shows, for countries with a larger or growing middle class, the subsidy program was popular. For smaller, poorer nations such as an independent PNG and Tonga, the number of students who could afford to access the scheme was much smaller. For large, developing nations such as Indonesia, the split between sponsored and subsidised students was almost even.

14 Lim, 'Jackson and the Overseas Students', 3.

15 According to the World Bank, Gross National Income increased in Papua New Guinea from (per person) USD220 in 1970 to USD640 in 1979, and in Fiji from USD400 in 1970 to USD1,660 in 1979. These increases reflect a growing income base in these nations, allowing for a greater number of citizens being able to access educational opportunities in Australia. 'The World Bank Data – Fiji', The World Bank Group, data.worldbank.org/country/fiji; 'The World Bank Data – PNG', The World Bank Group, data.worldbank.org/country/PNG, accessed 19 April 2023.

16 Stewart E Fraser, 'Australia and International Education: The Goldring and Jackson Reports – Mutual Aid or Uncommon Advantage?', *Vestes* 27, no. 2 (1984): 29.

17 Lim, 'Jackson and the Overseas Students', 15.

18 Fraser, 'Australia and International Education', 28.

Table 5.1: Sponsored and subsidised overseas students

Country of origin	Sponsored	Subsidised
Fiji	244	420
Tonga	205	45
PNG	760	31
Malaysia	274	6,016
Hong Kong	0	1,388
Indonesia	524	593

Source: David Lim, 'Jackson and the Overseas Students', *Australian Journal of Education* 33, no. 1 (1989): 15.

One of the key elements of the subsidy scheme was that it was a 'catch-all' program. Students were not means tested, meaning that those from wealthy nations, or wealthy individuals from poorer nations, were able to access the scheme without differentiation. While the scheme was open to all, it was more extensively utilised by individuals from particular nations, Malaysian students in particular. There were arguments about the extensive use of the scheme by these students, and the reason for those debates can be seen in the breakdown of Malaysian student numbers in 1983. Two hundred and seventy-four Malaysian students were sponsored by the Australian Government in 1983, but 6,016 students from Malaysia were subsidised.¹⁹ The number of students from Malaysia utilising the scheme became a significant issue for the government in later years when the subsidy program was discontinued. This is discussed in a later chapter. For the time being, however, it is important to note that the subsidy scheme covered the majority of overseas students in Australia. There was a sponsorship program in place, but it was a much smaller program; by 1983 4,270 students were sponsored compared to 10,656 subsidised students.²⁰

This scheme opened up the Australian education system, and in particular, Australian universities, to a large number of overseas students who had previously faced multiple barriers to entry. As well as abolishing fees, the changes brought in by the Whitlam Government included changes to the immigration system, and the formal end of the White Australia Policy. These policy shifts made it much easier for students to gain entry into Australian educational institutions. Because the subsidy scheme was not restricted to particular areas of study, the scheme also opened up opportunities to

¹⁹ Fraser, 'Australia and International Education', 15.

²⁰ Fraser, 'Australia and International Education', 15.

students in areas that were not necessarily considered important for their nation's 'development'. Students were able to choose their institution, and their course, without the influence of their government. This was a marked change to the way in which overseas students were able to access education in Australia.

While the Colombo Plan, the Australian International Award Scheme and the Commonwealth Scholarship and Fellowship Scheme continued into the 1970s, a new scheme with a development focus was also put in place. These Development Training Scholarships were run by the International Training Section of the Department of Foreign Affairs, who worked in collaboration with various other departments including Education and External Territories.²¹ These scholarships were 'aimed at promoting goodwill',²² which again highlights the amorphous nature of scholarships: a 'development' scholarship where the aim is goodwill rather than development. The scholarships, by the name they were given, were able to serve multiple goals and be interpreted by stakeholders in the way they preferred.

Because of the engagement of so many departments and divisions, these scholarships were difficult and time-consuming to administer. In 1972 a Parliamentary Joint Committee on Foreign Affairs reported on the training policies within the aid program. The committee noted that the 'basic principle guiding sponsored training arrangements has remained that it is for the recipient governments to determine their own needs and priorities and to select candidates for training abroad'.²³ This highlighted the lack of control exercised by the Australian Government and its representatives in selection of candidates, and control over the areas of study that students could enrol in. The programs were, by the nature of their administration, divorced from the country-specific bilateral aid programs that were operating at the time. In 1971 there were 3,020 overseas students in Australia sponsored by the Australian Government, and 24 students in third country arrangements, sponsored by the Australian Government to study in regional countries (usually in the South Pacific).²⁴

21 'Development of Australia's Overseas Training Aid Program | Background Paper', A4250, 1984/1428, 1984, NAA.

22 'Development of Australia's Overseas Training Aid Program | Background Paper', A4250, 1984/1428, 1984, NAA.

23 'Parliamentary Joint Committee on Foreign Affairs 1972', A1838, 561/6/18/3 Part 1, NAA.

24 'Parliamentary Joint Committee on Foreign Affairs 1972', A1838, 561/6/18/3 Part 1, NAA.

The decision of the Whitlam Government to create a specialised aid agency allowed for the policy and administration elements of these scholarships to be concentrated in one place. This consolidation occurred in December 1973. Despite this merging of scholarship management and administration, the scholarships continued to be largely disconnected from the bilateral aid programs that were in place. The types of awards available included secondary school scholarships, undergraduate awards (the bulk of the scholarships), ad hoc attachments (such as with research institutes) and International Training Courses (ITCs). These ITCs were often focused on training civil servants.

In 1977 the Fraser Cabinet made a decision to integrate the training program into the broader aid program, making more explicit the ‘development’ element of these scholarships. A decision was also made to concentrate on in-Australia training, and scholarships for secondary school study to be avoided where possible.²⁵ The Development Training Scholarships remained a very small element of the overall student intake, with the majority of overseas students benefiting from the subsidy scheme. Nevertheless, all students, sponsored and subsidised, were being supported by the government in some way, either through the process of application and placement, or through welfare support that was coordinated through the Department of Foreign Affairs aid bureau, with support from state offices of the Department of Foreign Affairs.

A review of services provided for overseas sponsored students was conducted from 1977 to 1978. Bureaucrats preparing for the review found ‘there has been no formal definition of both needs and the range and level of servicing’²⁶ of these students.²⁷ In 1977/78, according to the Department of Prime Minister and Cabinet, there were 4,293 sponsored students in Australia.²⁸ A variety of advice was circulated at the time of the review, including one paper that advised that ‘ADAB should maintain control over the nature and allocation of placement. (In other words, self or home

25 ‘Development of Australia’s Overseas Training Aid Program | Background Paper’, A4250, 1984/1428, 1984, NAA.

26 ‘Report on a Review of the Range and Level of Services for Sponsored Overseas Trainees under the Australian International Training Aid Program | B. Bray, Principal Executive Officer, International Training and Education Branch, Department of Foreign Affairs | 2 February’, A4250 1977/1724 1978, NAA.

27 In the context of this review and investigation, the sponsored students were considered to be those funded by both the Australian Government and those sponsored by other governments.

28 ‘Overseas Students | JT O’Connor, First Assistant Secretary Welfare Division, Department of Prime Minister and Cabinet | 30 March’, A1209 1977/609 Part 2, 1979, NAA.

government placement is not a practicable proposition)'.²⁹ The review represented a fairly comprehensive stocktake of both the services provided to students, and the options for what could and should be provided.

This review of services provided for overseas students had been triggered by a number of factors, including staffing levels within the Department of Foreign Affairs, and the way in which sponsored students had been supported after the consolidation of the scholarship functions into that department. Support had previously been spread between the Department of Education and the Department of Foreign Affairs. So, a change that had been designed to make the administration of sponsored and overseas students more efficient and easier to manage had, in practice, increased the workload for Australian aid administrators to an unmanageable level.

One outcome of the review was a list of principles to apply to the range and quality of services to sponsored overseas students. This list was intended to be a guide for policy development and implementation:

1. The student should be made to feel at home and increasingly at ease in our country without being allowed to become alienated from his own. We should be particularly sensitive to the trainee's cultural differences and see that his needs are handled with professional competence.
2. We should not lose sight of the basic objective of the student's presence in Australia – not primarily his personal interest but the development of his home country; both are more likely to be promoted if the student is at ease and free of serious worries.
3. Special attention should be paid to personal welfare problems of students, or to signs that such problems may be arising. 'Welfare' in this sense means personal and emotional difficulties and not problems arising from routine day-to-day obligations.
4. A high degree of self-reliance should be fostered in the trainee – he should be guided to stand on his own feet and handle his own routine requirements himself or through non-ADAB channels. Outright 'cossetting' is to be avoided.
5. Increasing use should be made of existing student facilities in institutions, national students groups and community groups, with a modest measure of financial support from the Bureau in appropriate instances for this purpose.

29 'Report on a Review of the Range and Level of Services for Sponsored Overseas Trainees under the Australian International Training Aid Program | B. Bray, Principal Executive Officer, International Training and Education Branch, Department of Foreign Affairs | 2 February', A4250 1977/1724 1978, NAA.

6. The difficulty of differentiating between sponsored and private overseas students should be accepted as a fact of life. There should, however, be a distinct shade of difference in the Bureau's handling of the private group which should be directed even more firmly to attend to their own routine needs and rely on their student/national organisations or diplomatic missions ...³⁰

The issues highlighted by this list of principles, in particular that students should not be overly supported and that differentiating between sponsored and private students was futile, were concerns that have reappeared over the decades of policymaking on international students. The advice that students should be made to feel at home and free of worries had also featured in efforts to bolster student support since the establishment of the Overseas Student Coordinating Committees in the 1950s.³¹ The government appeared keen, through these principles, to support the development of national groupings of students, perhaps to facilitate student support with minimal government intervention. In this approach, and even within the principles themselves, a key tension in overseas sponsored student support was highlighted. Successive governments saw great value in the overseas student cohort for development potential and the potential for influence in developing countries in the region, identified as goodwill, and they acknowledged that supporting students during their studies was required to achieve this goal. However, they were also concerned that students should not be 'cosseted', and the Fraser Government was not prepared to fund extensive student support infrastructure. Thus, they sought to have these services provided by peers and community volunteers. In a final twist in the policy conundrum, it appeared that government then became concerned about the political activities of students, with a desire to direct the 'agency' that students had developed during their period of study.³² This ended in the government coopting or directing the services that were being offered to students. There was a conflict between the desire to be 'hands off' and the desire to control student development to ensure that it supported the outcomes the

30 'Principles to Apply to Range and Quality of Services to Sponsored Overseas Students in Australia Following Approval by the Minister for Foreign Affairs (File 77/1724) | 24 February', A1209 1977/609 Part 2, 1978, NAA.

31 Anna Kent, 'Overseas Students Coordinating Committees: The Origins of Student Support in Australia?', *Transitions: Journal of Transient Migration* 4, no. 1 (2020): 99–114, doi.org/10.1386/tjtm_00015_1.

32 'The Sinister Role of ADAB in Overseas Students' Affairs', *Tharunka*, 24 September 1979, 6.

government sought. The review of services to overseas students in 1977/78 is an excellent example of how this conflict between ambitions and actions played out, but was never fully resolved.

Public servants also wished to disentangle the way in which sponsored and private students were supported, with ADAB very keen only to support private students in welfare cases when absolutely necessary.³³ ADAB was able to outsource some of the work they undertook to Coordinating Committees for Overseas Students, organisations that had been sidelined over the 1970s as the number of overseas students in Australia increased through the subsidy scheme. This move was controversial for some: an article in the University of New South Wales student newspaper *Tharunka* was scathing of the role of ADAB and the Coordinating Committees, describing the committees as being cultivated as ‘some “yes” men on some country campuses acting on their behalf’.³⁴ Some students and others were suspicious of the motivations of these groups and their government sponsors.

While the 1977 review of services made some changes, the overall support for sponsored students in the broader overseas student program remained a consistent, although small, element of the overall international student program. By 1982, the largest number of sponsored students was from Indonesia, with 404 students. Reflecting its position as both a key aid recipient, and a very low-income country (and thus with a smaller population able to make use of the subsidy scheme), an independent PNG was the second largest sponsorship recipient, with 175 students. No other Pacific nations were in the top recipients of scholarships. However, including students who were part of third country programs (for example, students sponsored by Australia to study at the University of South Pacific or the University of Papua New Guinea), there were 313 Pacific sponsored students in undergraduate programs. A review of education in the South Pacific commissioned by ADAB in the early 1980s noted that the ‘students are drawn from all main South Pacific regions, but the greater numbers are from Fiji, Western Samoa, Solomon Is., Vanuatu and Tonga’.³⁵

33 ‘Report on a Review of the Range and Level of Services for Sponsored Overseas Trainees under the Australian International Training Aid Program | B Bray, Principal Executive Officer, International Training and Education Branch, Department of Foreign Affairs | 2 February’, A4250 1977/1724 1978, NAA.

34 ‘Development of Australia’s Overseas Training Aid Program | Background Paper’, A4250, 1984/1428, 1984, NAA.

35 TN Lockyer, ‘Undergraduate and Postgraduate Training for Students from South Pacific Countries’, ed. Bureau Australian Development Assistance, A8950, 5270, 1983, NAA.

Reflecting an issue that would become more important over the 1980s, between 1979 and 1982 the majority of sponsored students (from all nations) were male, with the proportion hovering around 80 per cent of the total number.³⁶ This was a particular issue as legislation mandating equal opportunities for both men and women was passed in parliaments across a number of jurisdictions in Australia.

The subsidy program was put in place by Whitlam for a variety of reasons, and it was a very popular policy within the region. In concert with the full removal of the White Australia Policy, the subsidy scheme was a demonstration that the Australian Government was acting in the best interests of most of its regional partners, not only itself. In this instance, the subsidy scheme achieved the outcomes that the Chifley Government had expected that the South-East Asian Scholarship Scheme would when it was introduced in 1948. The subsidy scheme was of a scale not imagined in 1948, and had a far greater impact on Australia's relationships in the Asian and Pacific regions.

The subsidy scheme also led to a huge increase in overseas student numbers in Australia. The numbers decreased slightly after the Fraser Government introduced an Overseas Student Charge, but soon recovered. The management of students in Australia was constantly under review, whether as part of the Australian aid program (1972) or as a standalone review (1977). This was driven in part by the expansion of the number of students, which increased the workload for those tasked with welfare and social support for the students. The Coordinating Committees that had been established to deal with the first large influx of overseas students in the 1950s were reinvigorated by Australian aid funding. The reviews were also driven by change and uncertainty in the administration of the Australian aid program. With the establishment of the Australian Development Assistance Agency (ADAA) as a standalone agency by the Whitlam Government, aid policy was given a more dominant position within the government and foreign policy conversations. The Aid Policy Section still had to work hard to gain a seat at the table for important discussions, such as those surrounding the future of an independent PNG. Even though the ADAA was very short lived, a specialised section dealing with aid funding lasted through the

36 Stewart E Fraser, 'Overseas Students in Australia: Governmental Policies and Institutional Programs', *Comparative Education Review* 28, no. 2 (1984): 282, doi.org/10.1086/446435.

changes. The independent nation of PNG became the centre of Australian aid funding, once again preventing serious policy deliberation or focus on the broader Pacific, which itself was shifting politically and socially.

By the early 1980s there was a feeling that the subsidy scheme could not be sustained in the long term. This situation, and uncertainty about the place of overseas students within the aid program, led to the commissioning of two reviews that addressed overseas students: the Goldring Report and the Jackson Report, which are discussed in detail in the next part of this book.

The introduction of Overseas Student Subsidies by the Whitlam Government had a profound and long-lasting impact on the Australian tertiary education system. In this period the focus of bureaucrats and stakeholders was largely on this broad-based scheme, not on the Development Training Scheme. In previous decades, schemes such as the Colombo Plan and the Commonwealth Scholarships had overwhelmed discussions of overseas students, in many cases giving an unrealistic picture of the overseas student cohort. While the subsidy scheme did not dominate discourse or frame discussions of aid as the Colombo Plan did, it did open up the Australian education sector to a demographic that had previously been unable to afford overseas education, in particular the growing middle classes in South-East Asia and in some parts of the South Pacific. It also allowed for students to study across a range of subject areas, rather than those deemed important for the development of recipient countries.

Nevertheless, for the vast majority of the population of the South Pacific, the opportunity for access to the Australian tertiary education system came with scholarships, not subsidies. And access to those scholarships was largely controlled by the colonial administrations, and then after independence, new governments. The Australian Government had, until the mid-1970s, been relatively comfortable with this situation, perceiving that it allowed for governments 'on the ground' to make the best decisions in relation to candidates and areas of study that were most relevant to the development of these fledgling states. One consequence of this mode of selection was that about 80 per cent of awardees were men, which became a difficult issue for the Whitlam Government in particular. Women had gained the right to equal pay for equal work in Australia in 1972, and various changes to legislation to mandate equal opportunities were introduced federally, and in various states over the 1970s. In addition, the passing of the Racial Discrimination Act of 1975 raised concerns over how racially discriminatory selection policies in countries such as Fiji and Malaysia would reflect on the

scholarship programs. The issue of selection policies was also raised in the review of overseas students commenced in 1977. It was almost a decade later that these issues of gender and race were comprehensively addressed within a scholarship program design, but it is worth noting that the status quo of male-dominated cohorts was not entirely satisfactory to the Whitlam, and then Fraser, governments.

The political situation across the Pacific changed at a rapid rate during the 1970s, with a wave of decolonisation sweeping across Fiji, PNG, Tuvalu, Kiribati and later Vanuatu. But as discussed in this chapter, in many of these nations that independence came not at the insistence or resistance of the indigenous population, but rather as a result of British and Australian domestic pressures, financial and social.

This process of decolonisation was also part of the Australian story, with self-government and then independence for the Territory of Papua and New Guinea. This is discussed in the next chapter.

This text is taken from *Mandates and Missteps: Australian Government Scholarships to the Pacific – 1948 to 2018*, by Anna Kent, published 2024 by ANU Press, The Australian National University, Canberra, Australia.

doi.org/10.22459/MM.2024.05