

1989

THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HIGHER EDUCATION FUNDING AMENDMENT BILL 1989

EXPLANATORY MEMORANDUM

(circulated by authority of the Minister for
Employment, Education and Training
the Hon J S Dawkins MP)

HIGHER EDUCATION FUNDING AMENDMENT BILL 1989

OUTLINE

The purpose of this Bill is to amend the Higher Education Funding Act 1988 which provides grants of financial assistance to the States, the Australian Capital Territory, the Northern Territory and higher education institutions for the 1989-1991 triennium.

The Bill provides increased funding for higher education institutions amounting to some \$46m. Increased funding is being provided in accordance with the Government's cost supplementation arrangements and takes into account relevant movements in the DEET's Indexes of Tertiary Education Costs. The cost level of amounts in the Higher Education Funding Act 1988 was based on preliminary June quarter 1988 index values for non-salary costs, equipment and capital. These have been updated to December quarter 1988. In the case of salaries, account has been taken of the second stage of the National Wage Case Decision of August 1988 which takes effect in April/May this year.

The Bill takes into account the Government's decision to phase out the Subsidised Overseas Students Program. The total operating grants for higher education will be reduced by \$23 million in 1990 and \$43 million in 1991 with the funds being used to finance scholarships to enable overseas students to obtain full-fee places in Australian institutions. The new arrangements therefore will not reduce the total funding available for institutions.

The Bill also makes provision for self-government in the ACT. Under the amended Act, higher education institutions which come under the ambit of the ACT Government will receive grants on the same basis as the States and the Northern Territory. The change will affect grants provided to the Signadou College of Education. The Australian National University, the Canberra College of Advanced Education and the Canberra Institute of the Arts will remain as Commonwealth institutions and accordingly will receive their grants by means of Appropriation. These institutions will continue to be covered by provisions in the Act relating to the Higher Education Contribution Scheme and the Trust Fund.

FINANCIAL IMPACT

The Bill provides an additional \$24m in 1989, \$20 million in 1990 and \$2 million in 1991.

CLAUSES OF THE BILL

Clause 1: Short Title

Clause 2: Commencement

Clause 3: Definitions: This clause extends the definition of State to include the Australian Capital Territory.

Clause 4: Institutions: This amends the table of institutions to which Chapters 2 and 3 of the original Act applies as follows:

- . "Chifley University" renamed "the University of Western Sydney";
- . "Melbourne College of Advanced Education" deleted following merger with the University of Melbourne;
- . "Queensland Institute of Technology" renamed "Queensland University of Technology"; and
- . "Signadou College of Education" added.

Clause 5: Reference to the Australian Capital Territory and the Northern Territory: Technical amendment consequential to Clause 3.

Clauses 6 to 17: Grants for specified Purposes:
Increases to the total grants available to provide additional amounts of cost supplementation and, in the case of Clause 6, reductions to take account of the phasing out of the Subsidised Overseas Students Program in 1990 and 1991.

Clause 18: Interpretation: Technical amendment consequential to Clause 3.