

1992

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HIGHER EDUCATION FUNDING AMENDMENT BILL 1992

EXPLANATORY MEMORANDUM

(Circulated by authority of the  
Minister for Higher Education and Employment Services,  
the Honourable Peter Baldwin MP)

## Higher Education Funding Amendment Bill 1992

### 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 Northern Territory and higher education institutions for higher education purposes.

Increased funding is being provided in 1992, 1993 and 1994 in accordance with the Government's cost supplementation arrangements taking account of movements in the Department of Employment, Education and Training Higher Education Non-salary, Equipment and Building Cost Indexes from June quarter 1991 to December quarter 1991.

The Bill also provides additional funding to address enrolment pressures in higher education institutions. \$6.8 million is being provided in 1992, \$11.9 million in 1993 and \$15.7 million in 1994 for additional student intakes. \$31.6 million is being provided in 1992 and \$9.6 million in 1993 for additional higher education capital works.

### FINANCIAL IMPACT

The Bill provides an additional \$46.7 million in 1992, \$29.7 million in 1993 and \$9.5 million in 1994 as outlined above.

The Bill also includes a funding neutral provision to take account of revised HECS estimates.

## NOTES ON CLAUSES OF THE BILL

Clause 1: Short title etc

Clause 2: Commencement

Clause 3: Maximum amounts: This clause increases the total grants available for specified purposes. In relation to "Paragraph 17(c)", "Paragraph 17(d)", "Paragraph 17(e)" and "Paragraph 17(f)", which deal with maximum grants, the variations to existing legislated amounts are set out below:

|  | 1992<br>\$m | 1993<br>\$m | 1994<br>\$m |
|--|-------------|-------------|-------------|
| Supplementation                                | 5.987       | 6.063       | 6.250       |
| Additional intakes                             | 6.788       | 11.879      | 15.697      |
| Reimbursement of HECS<br>revenue to the States |             | 0.033       | 0.033       |

In addition, maximum grants are being varied to reflect a technical adjustment between amounts payable to institutions through operating grants and amounts payable via the Higher Education Trust Fund in respect of HECS student liabilities, as set out below:

|   | 1991<br>\$m | 1992<br>\$m | 1993<br>\$m | 1994<br>\$m |
|---|-------------|-------------|-------------|-------------|
| Revised estimate<br>of HECS liabilities | -52.445     | -60.181     | -54.427     | -10.096     |

The variations reflect an on-going adjustment to the level of funds available through the Trust Fund as estimates are adjusted to take account of actual student numbers liable for the HECS. These adjustments do not affect the total level of funding available to the higher education system.

In relation to "Paragraph 18A(4)", which deals with grants to maintain or enhance the quality of higher education, provision is made for supplementary funding in 1994.

In relation to "Paragraph 20(3)(d)", "Paragraph 20(3)(e)" and "Paragraph 20(3)(f)", which deal with grants for superannuation expenses, provision is made for supplementary funding in 1992, 1993 and 1994.

In relation to "Paragraph 21(3)(d)", "Paragraph 21(3)(e)" and "Paragraph 21(3)(f)", which deal with grants for projects of national priority, provision is made for supplementary funding in 1992, 1993 and 1994.

In relation to "Paragraph 22(5)(e)" and "Paragraph 22(5)(f)", which deal with promotion of equality of opportunity, provision is made for supplementary funding in 1993 and 1994.

In relation to "Paragraph 23(4)(d)", "Paragraph 23(4)(e)" and "Paragraph 23(4)(f)", which deal with special research assistance, provision is made for supplementary funding in 1992, 1993 and 1994.

In relation to "Paragraph 23A(7)(a)", "Paragraph 23A(7)(b)" and "Paragraph 23A(7)(c)", which deal with grants for advanced engineering centres, provision is made for supplementary funding in 1992, 1993 and 1994.

In relation to "Paragraph 24(3)(d)", "Paragraph 24(3)(e)" and "Paragraph 24(3)(f)", which deal with grants in respect of teaching hospitals, provision is made for supplementary funding in 1992, 1993 and 1994.

In relation to "Paragraph 26(5)(d)", "Paragraph 26(5)(e)" and "Paragraph 26(5)(f)", which deal with grants for capital projects, provision is made for supplementary funding in 1992, 1993 and 1994. Funds amounting to \$31.615 million in 1992 and \$9.6 million in 1993 are being provided for additional higher education capital works.

