

1989

THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HIGHER EDUCATION FUNDING AMENDMENT BILL (No. 2) 1989

EXPLANATORY MEMORANDUM

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

Higher Education Funding Amendment Bill (No. 2) 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.

The current Act provides funding for the 1989-91 Triennium. The Bill provides funding for higher education institutions for 1992 amounting to \$2865 million in accordance with the rolling triennial funding arrangements. This amount takes into account the recent Government decision to provide funding of \$34 million for an additional 4000 intakes in 1992 and additional funding of \$56 million for capital projects in 1992 to bring the total annual funding for major works in 1992 (\$198 million) to the same level of funding in real terms as will be provided in 1991.

Increased funding is being provided for higher education institutions amounting to \$6m in 1990 and \$7m in 1991 in accordance with the Government's cost supplementation arrangements. The Bill also provides for the incorporation of Australian Research Council programs into the Act in line with the Government's decision to fund these programs on a rolling triennial basis. The funding includes additional amounts for new research initiatives of \$34 million, \$53 million and \$62 million respectively announced by the Government in its Science and Technology statement in May 1989.

FINANCIAL IMPACT

The Bill provides in relation to current legislated amounts for a reduction of \$0.2 million in 1989 and an additional \$86 million in 1990, \$76 million in 1991 and \$2865 million in 1992.

NOTES ON CLAUSES OF THE BILL

- Clause 1 : Short title etc
- Clause 2 : Commencement
- Clause 3 : Definitions: Technical provisions.
- Clause 4 : Institutions: This amends the table of institutions to which Chapters 2 and 3 of the original Act apply by including Charles Sturt University and includes minor variations to the names of institutions.
- Clause 5 : Maximum grants: The variations to existing legislated amounts are set out below:

	1990	1991
	\$m	\$m
Transfer from section 20 (superannuation expenses)	69.546	69.546
Revised estimate of amounts payable from Trust Fund	-22.300	-53.100
Savings on early retirement assistance	-5.000	
Revised calculation of pipeline		-0.053

- Clause 6 : Grants for Aboriginal participation projects: Provision has been made for 1992.
- Clause 7 : Grants for superannuation expenses: An amount of \$69.546m has been transferred to base operating grants from section 20 from the beginning of 1990. Claims for additional funding under this section will be assessed taking into account the higher level of funding for superannuation costs being provided in base operating grants. Provision has been made for 1992.
- Clauses 8 and 9 : Grants for projects of national priority and promotion of equality of opportunity: Provision has been made for 1992.
- Clause 10 : Special research assistance: The scope of the section has been expanded to provide for new research programs and the transfer of research programs currently funded under Appropriation Acts. The programs are research grants, Australian postgraduate research awards, overseas postgraduate research awards and funding for research infrastructure. The total amounts available have been reduced by \$4.224m in 1990 and \$6.846m in 1991 and 1992 which are

to be transferred to the Community Services and Health portfolio for allocation of NHMRC grants. In addition an amount of \$227,100 is to be transferred from the 1989 program to the 1990 program to be made available for the establishment of a new Centre for Education and Training on Addictions.

- Clauses 11 : Grants for teaching hospitals: Provision has
: been made for 1992.
- Clauses 12 : Grants for building projects: Increased amounts
have been provided for cost supplementation for
1990 and 1991. Provision has been made for
1992.
- Clause 13 : Grants for Aboriginal participation projects:
The provision for 1992 will fund an additional
100 places.
- Clause 14 : Promotion of equality of opportunity: Provision
has been made for 1992.
- Clause 15 : Grants for building projects: Increased amounts
provided for cost supplementation. The amount
provided for 1992 maintains the program at the
same level as for 1991.
- Clause 16 : Interpretation: Technical provision.