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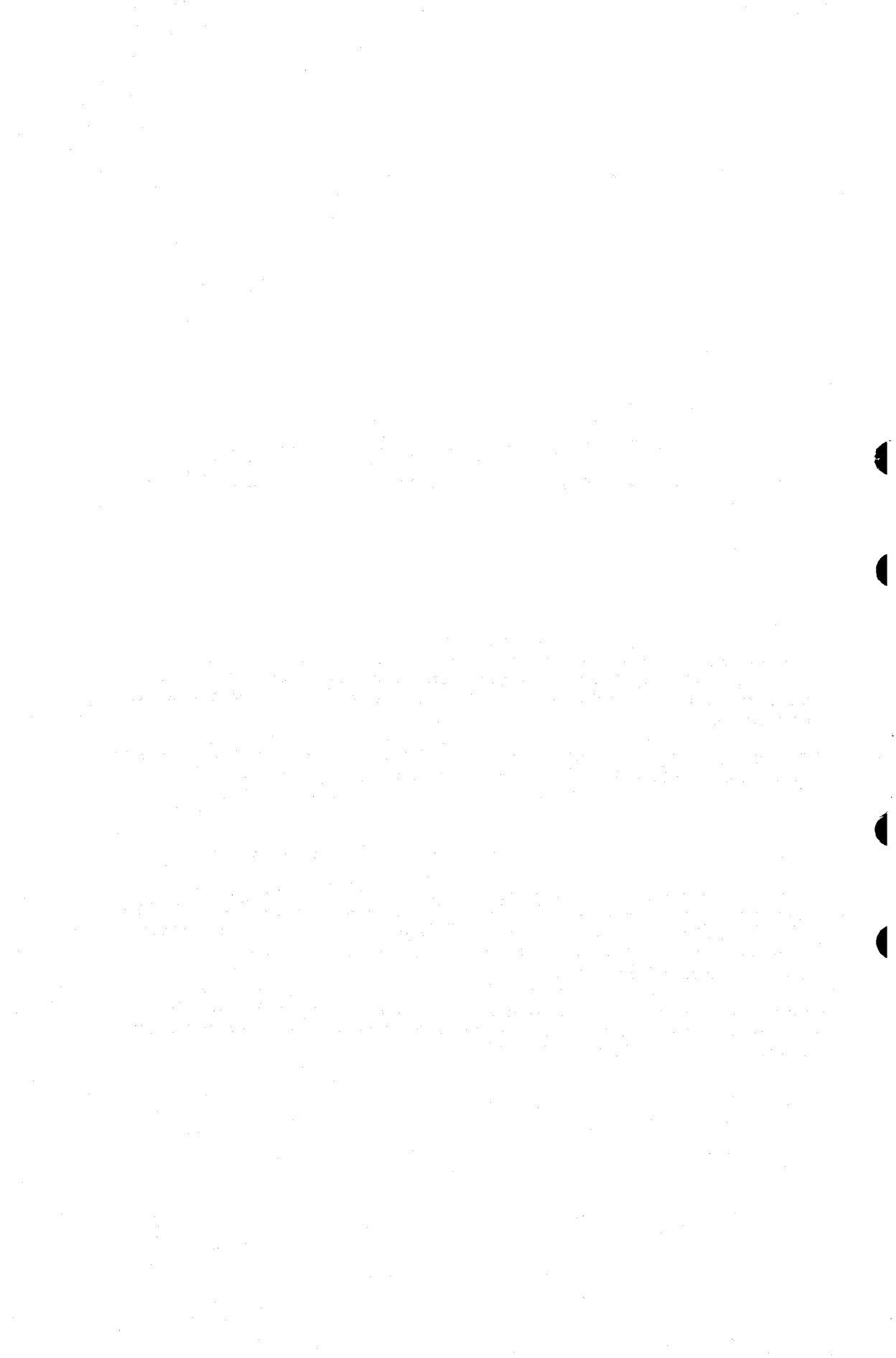
THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

States Grants (Tertiary Education Assistance)
Amendment Bill 1982

EXPLANATORY MEMORANDUM

21 September 1982



OUTLINE

States Grants (Tertiary Education Assistance) Amendment Bill 1982

The primary purpose of this Bill is to appropriate grants of financial assistance to the States and the Northern Territory for tertiary education. The grants to be appropriated include:

- . the 1983 capital and equipment grants for all sectors of tertiary education;
- . the 1983 TAFE recurrent grants; and
- . the 1983 temporary development grants in advanced education.

These grants are additional to those already appropriated under the Principal Act.

The Bill appropriates amounts of \$4m in 1983 and \$8m in 1984 which will be available to universities and colleges of advanced education to assist those institutions meet increased superannuation costs. Further, amounts of \$0.2m in 1983 and \$0.3m in 1984 are also appropriated for the development of graduate teaching and research in management education.

The Bill includes a transfer of \$1.1m from migrant education programs previously administered by the Department of Immigration and Ethnic Affairs. This amount will be combined with \$1.61m appropriated for 1983 TAFE (other) recurrent grants and the total amount will be applied for advanced English language training for adult migrants.

The Bill creates a new National Unallocated Grant for Expenditure in Higher Education. Grants for 1983 and 1984 for certain universities and colleges of advanced education are held in this reserve pending consideration of consolidation proposals.

The Bill also contains minor technical amendments which do not alter the conditions under which grants are made to the States and the Northern Territory.

NOTES ON FINANCIAL MATTERS CONCERNING THE BILL

1. Cost levels: Amounts expressed in the Bill for the 1982-84 triennium reflect current cost adjustment procedures whereby a prospective allowance is made to take account of forecast cost increases for the year of the grant. (The technical term used to describe the result of this process is "outturn cost"). Recurrent grants referred to in this Bill are in 1982 outturn costs.

2. Total program: Additional appropriation: The table of figures set out below summarises the program of grants relevant to the 1982-84 triennium. The amounts in *italics* are those to be appropriated by this Bill.

| <u>Grants available</u> | <u>Years</u> | <u>Total program</u> \$m |
|--|--|-----------------------------|
| <u>Universities and Advanced Education</u> | | |
| Recurrent | 1982-84 | 4,080.833) |
| <i>Recurrent</i> | 1983-84 <i>Amalgamation appropriations</i> | <i>195.917</i>)* |
| <i>Recurrent</i> | 1983-84 <i>Superannuation grants</i> | 12 |
| <i>Recurrent</i> | 1983 <i>Temporary development grants</i> | 4.7 |
| <i>Recurrent</i> | 1983-84 <i>Management education grants</i> | 0.5 |
| Equipment | 1982 | 58.716 |
| <i>Equipment</i> | 1983 | 58.837 |
| Capital | 1982 | 31.291 |
| <i>Capital</i> | 1983 | 34.662 |
| <u>Technical and Further Education</u> | | |
| Recurrent | 1982 | 84.6 |
| <i>Recurrent</i> | 1983 | 88.3** |
| Equipment | 1982 | 10.1 |
| <i>Equipment</i> | 1983 | 10.1 |
| Capital | 1982 | 112.1 |
| <i>Capital</i> | 1983 | 102.9 |
| TOTAL | | <u>4,885.606</u> |
| (Total of additional appropriation: | | \$ <u>507.916</u>) |

3. The amounts listed above exclude details of the appropriation for non-government business colleges. These grants are available on a monthly per capita basis, that is, there is no annual grant figure set in the legislation. The annual program for 1982 is estimated to cost \$4.8m.

4. National Unallocated Grants: The 1983 and 1984 recurrent grants for universities and advanced education include amounts of \$80.479m for 1983 and \$81.776m for 1984 which are to be appropriated by the Bill as the National Unallocated Grant for expenditure in higher education. These amounts are to be available for distribution subject to the consideration of consolidation proposals.

5. Financial guidelines amounts: An amount of \$405m included in the "Commonwealth Education Policy and Financial Guidelines to the Commonwealth Education Commissions" for direct-funded institutions (that is, Australian National University, Canberra College of Advanced Education and Australian Maritime College) is excluded from the above table. This amount is appropriated under Annual Appropriation Acts for the Commonwealth Department of Education.

* Amount made up as follows:

| | | | <u>National Unallocated</u> |
|------|--------------|---|-----------------------------|
| 1982 | \$1,427.469m | | |
| 1983 | \$1,345.692m | + | \$80.479m |
| 1984 | \$1,346.584m | + | \$81.776m |

** Includes an additional \$1.1m for advanced English language programs for adult migrants.

DETAILED DESCRIPTION OF BILL AND
NOTES ON CLAUSES

States Grants (Tertiary Education Assistance)
Amendment Bill 1982

This amending Bill inserts into the States Grants (Tertiary Education Assistance) Act 1981 the following new sections and schedule:

- . Capital grants for building projects in respect of the year 1983
 - Universities s. 13A)
 - Advanced education s. 21A) Schedule 7A
 - TAFE s. 34A)
- . Recurrent grants for superannuation expenses: 1983 and 1984
 - Universities)
 - Colleges of advanced education) s. 38A

The Bill amends existing sections and schedules to insert the 1983 equipment grants for all sectors.

In addition, the Bill also includes the following amendments:

- . the inclusion of a new "particular purpose" in TAFE other recurrent grants to provide programs of advanced English language training for adult migrants;
- . the inclusion of national unallocated grants for 1983 and 1984 for those universities and colleges of advanced education in respect of which proposals for consolidation have not been finalised;
- . the inclusion of a new Column 3 in Part V of Schedule 8 for temporary development grants in advanced education for 1983;
- . the addition of \$0.2m in 1983 and \$0.3m in 1984 for the development of graduate teaching and research in management education at the University of Melbourne:

- . a technical amendment to the definition of "course of advanced education" to bring the definition into line with the consequences of recent developments such as the amalgamation of universities and colleges of advanced education;
- . the insertion of a deeming provision for general purpose recurrent grants for universities and colleges of advanced education to deem as "expenditure" money set aside, on an actuarial basis and in a non-reversionary manner, by the institutions in the year of the grant for superannuation and long service leave liabilities; and
- . minor consequential amendments.

Notes on clauses of the Bill follow.

CLAUSES OF THE BILL

(Note: The references to "sections" are the sections of the Principal Act)

Clause 1 : Short title.

Clause 2 : Commencement dates: The amending Act comes into operation on the day on which it receives the Royal Assent, with the exception of some minor amendments which are made retrospective to 26 November 1981, the date the Principal Act received the Royal Assent.

Clause 3 : Interpretation: This clause replaces the definition of "course of advanced education" with a revised definition; the revision is a technical amendment and is necessary to take into account amalgamations of some colleges of advanced education with universities.

This clause also inserts a deeming provision into the definitions in section 3 to deem as "expenditure" (in the year of the grant) money set aside on an actuarial basis and in a non-reversionary manner, by a university or a college of advanced education for superannuation and long service leave entitlements of its employees.

Clause 4 : Approval of, and directions relating to building projects: This clause is a consequential amendment arising from the inclusion of a new Schedule 7A (capital grants for 1983 for all sectors).

Clause 5 : Grants for equipment (universities): This clause inserts in s.10 references to the 1983 grants for universities for equipment; the grants are listed in column 3 in the replacement of Schedule 4.

Clause 6 : Recurrent grants in respect of student residences and affiliated colleges (universities): This clause amends s.11 to identify separate annual grants for the triennium 1982-84.

- Clause 7 : Building projects in respect of the year 1983 (universities): This clause inserts a new s.13A which provides capital grants for 1983 for universities; the grants are listed in Parts I, II and III of the new Schedule 7A.
- Clause 8 : This clause inserts into s.15 references to the 1983 grants for temporary development in advanced education; the grants are listed in Part IV of the replacement of Schedule 8.
- Clause 9 : Grants for equipment (advanced education): This clause inserts in s.19 references to the 1983 grants for advanced education for equipment; the grants are listed in column 3 in the replacement of Schedule 9.
- Clause 10 : Recurrent grants in respect of student residences and affiliated colleges (advanced education): This clause amends s.20 to identify separate annual grants for the triennium 1982-84.
- Clause 11 : Building projects (advanced education) in respect of the year 1983: This clause inserts a new s.21A which provides capital grants for 1983 for advanced education; the grants are listed in Parts IV and V of the new Schedule 7A.
- Clause 12 : Grants for courses of teacher education provided by non-government teachers colleges: This clause amends s.23 for a minor technical drafting amendment.
- Clause 13 : Grants for equipment for non-government teachers colleges: This clause inserts in s.24 references to the 1983 grants for equipment; the total amount of grants available in 1983 total \$72,000.
- Clause 14 : Grants for minor building projects of non-government teachers colleges: This clause inserts in s.25 references to the 1983 grants for minor building projects; the total amount of grants available in 1983 is \$36,000.
- Clause 15 : Further recurrent grants in relation to advanced education (national unallocated): This clause amends s.26(6) to reflect subsequent amendments to the Principal Act

which have inserted the names of "relevant colleges of advanced education" into Part I of Schedule 8 of the Act; a technical drafting amendment only.

- Clause 16 : Interpretation (TAFE): This clause inserts in s.27 (definitions) a reference to the year 1983.
- Clause 17 : Grants for recurrent expenditure (TAFE): This clause inserts in s.28 references to the general purpose recurrent grants for 1983; the grants for 1983 are listed in column 3 in the replacement of Schedule 11.
- Clause 18 : Proposals for expenditure on staff training and data collection and processing (TAFE): This clause inserts in s.29 references to the TAFE grants for staff training and data collection and processing for 1983; the grants for 1983 are listed in new Parts III and IV in the replacement of Schedule 12.
- Clause 19 : Variations of amounts in Schedule 12 (TAFE): This clause amends s.30 to insert a reference to the year 1983; section 30 enables amounts to be varied, at the request of a State, between columns 2 and 3 in Schedule 12.
- Clause 20 : Other recurrent grants (TAFE 'particular purpose' grants): This clause inserts in s.31 references to the TAFE grants for 'particular purposes' for 1983; the grants for 1983 are listed in new Parts III and IV in the replacement of Schedule 13.

This clause also inserts a new specific purpose of "provision of courses in advanced English language instruction for adult migrants"; the grants for this purpose are partially distributed to the States in the new Part III of Schedule 13. An amount of \$1.1m for this purpose has been transferred from the Department of Immigration and Ethnic Affairs and is held in the unallocated Part IV of Schedule 13; this unallocated amount will be distributed to the States when relevant proposals are approved in respect of 1983. (The amount available for this new purpose represents 15 per cent of the grants category total for 1983).

Clause 21 : Grants for recurrent expenditure in connection with programs of adult education provided by non-government bodies (TAFE): This clause inserts in s.32 references to the TAFE grants for non-government adult education for 1983; the grants for 1983 are listed in column 3 in the replacement of Schedule 14.

Clause 22 : Special grants for equipment (TAFE): This clause inserts in s.33 references to the 1983 TAFE special grants for equipment; the grants for 1983 are listed in column 3 of the replacement of Schedule 15.

Clause 23 : Building projects in respect of the year 1983 (TAFE): This clause inserts a new s.34A which provides capital grants for 1983 for TAFE; the grants are listed in Part VI of the new Schedule 7A.

Clause 24 : Grants for community language courses: This clause amends s.38 to identify separate annual grants for the triennium 1982-84.

Clause 25 : Recurrent grants may be increased to assist institutions in meeting certain superannuation costs: This clause inserts a new s.38A which provides additional recurrent grants to universities and colleges of advanced education for increased superannuation costs; the Minister is empowered to approve proposals from institutions seeking additional funds to their general purpose recurrent grants to enable institutions to transfer to the national superannuation scheme. The total grants available are as follows:

| | |
|------|------|
| 1983 | \$4m |
| 1984 | \$8m |

Clause 26 : Amalgamations of universities and colleges of advanced education (National Unallocated Grant for Higher Education): This clause inserts a new "section 39A" which enables grants of financial assistance for universities and colleges of advanced education to be made available in 1983 and 1984 in relation to institutions for which funding is not provided in the schedules to this Bill. The Minister is empowered to direct the payment of general purpose recurrent grants to a university or college of advanced education, where he is satisfied that an acceptable consolidation arrangement will be effected (or has

been effected). The effect of such a direction would be to insert in Schedule 1 (universities) or Part I of Schedule 8 (colleges of advanced education) general purpose recurrent grants for the relevant institution for 1983 and 1984. The institutions involved are specified in new Schedule 18. The grants available form a fund which is referred to as the National Unallocated Grant for Higher Education. The amounts available for distribution to amalgamated institutions are:

| | |
|------|--------------|
| 1983 | \$80,479,000 |
| 1984 | \$81,776,000 |

Clause 27 : Conditions attaching to building grants: This clause inserts in s.40 references to the new sections 13A, 21A and 34A and Schedule 7A (1983 capital grants for all sectors). This is a consequential amendment only.

Clause 28 : Variation of building grants in Schedule 7: As per clause 26 (above), a consequential amendment to insert in s.41 references to the new sections and and schedule applicable to 1983 capital grants.

Clauses 29-32 : Financial machinery provisions: Consequential amendments only.

Clause 33 : Repeal of Parts VII and VIII: This clause repeals provisions of the Principal Act which no longer have relevance; a technical drafting amendment only.

Clause 34 : Substitution of schedules: This clause provides for the replacement of schedules in the Principal Act for the following reasons:

- . to insert grants for the 1983 equipment program (all sectors);
- . to amend (to take account of name changes) the names of institutions listed for consolidation/amalgamation in Schedule 17; and
- . to amend various amounts in the recurrent schedules to take account of determinations and directions approved by the Minister and the Commonwealth Tertiary Education Commission since the schedules were last amended by Act 27 of 1982.

Clause 35 : Certain directions to cease to have effect:
This clause cancels directions already made by the Minister and the Commonwealth Tertiary Education Commission in so far as these directions could apply to the replacement schedules made by this amending Act.

Clause 36 : Payments made before Royal Assent: This clause ensures that payments of grants under the Principal Act are not duplicated by payments under the Principal Act as amended.

