

1986

THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

States Grants (Tertiary Education Assistance)
Amendment Bill (No 2) 1986

EXPLANATORY MEMORANDUM

(circulated by authority of the
Minister representing the Minister for Education)

August 1986

STATES GRANTS (TERTIARY EDUCATION ASSISTANCE)

AMENDMENT BILL (NO.2) 1986

OUTLINE

The purpose of this Bill is to amend the States Grants (Tertiary Education Assistance) Act 1984 to require institutions which receive Commonwealth funds for higher education places to impose the higher education administration charge announced in the Budget.

The charge will be \$250 per student for 1987. Estimated revenue from the charge for each institution will be offset to the extent of 90% against the Commonwealth general recurrent grant. 10% of the charge will be retained by institutions for expenditure at their discretion.

The Bill also provides for the exemption of certain categories of student from the charge as outlined in the Minister's statement on Tertiary Education and the 1986-87 Budget.

For institutions in the States and the Northern Territory it is expected that the charge will raise some \$93.064 million in 1987, enabling the Commonwealth to reduce its outlays by \$83.757 million. After allowing for exemptions from the charges and adjustments to student assistance benefits and the Overseas Student Charge the net effect on the budget is estimated to be \$56.057 million in 1986-87.

NOTES ON CLAUSES

- Clause 1 : Short title
- Clause 2 : Commencement: provides for legislation to come into operation on the day on which the Act receives Royal Assent.
- Clause 3 : Interpretation: provides for the insertion of additional definitions relating to the charge and to enrolments for the purposes of the charge. In particular the clause specifies the categories of enrolment which are liable for the charge and those which are exempt from the charge, viz, enrolments in courses of technical and further education, full fee paying overseas students, persons enrolling in a course who have previously enrolled in another course in the same year at the same institution and have paid the charge, beneficiaries of certain Commonwealth pensions, benefits and allowances (to be specified by the Minister in the Gazette), enrolments in a course which is required as part of the course being undertaken at another institution and persons holding institutional scholarships with a living allowance of at least \$1,000.

Clause 4 : Estimate of relevant enrolments

Clause 4A provides for the Minister to estimate each year, on the advice of the Commonwealth Tertiary Education Commission (CTEC), the number of relevant enrolments in the following year for each relevant institution situated in a State or at Northern Territory tertiary education institutions as the basis for the calculation of the reduction in recurrent grants. The Clause also provides for the revision of such an estimate (by the Minister) before the end of the year on the advice of CTEC where there is a significant revision to estimated enrolments. The Clause also provides for the furnishing of details of the estimate or revised estimate to the State or Territory Minister concerned.

Calculation of amounts of reductions

Clause 4B describes the method of calculating the reduction in grants for each relevant institution or Northern Territory tertiary education institutions. Grants are to be reduced by 90% of the estimated revenue from the charge.

Adjustments where estimated enrolments not equal to actual enrolments

Clause 4C provides for adjustments to be made to grants to institutions where estimated enrolments do not match actual enrolments. The required adjustments, either up or down, will be made to grants for the subsequent year.

Amount of charge

Clause 4D describes the method of calculating the charge to be imposed each year. For 1987 the charge will be \$250 for each relevant enrolment. The charge for subsequent years is to be calculated on the basis of movements in the General Salaries Index of tertiary costs as estimated and published by CTEC in the Gazette. The charge calculated for each year, from 1988, is to also be published by CTEC.

Clauses 5-8 : The clauses allow for the reduction of recurrent grants specified in the schedules to the Act according to the amounts estimated under Clause 4B. The clauses also provide for a State/Northern Territory/ non-government authority, as the case may be, to require that relevant institutions impose the charge as published by CTEC.

Clause 9 : Amends the Act to provide for the tabling by the Minister of estimates prepared under Section 4A.

