

1987

THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

States Grants (Tertiary Education Assistance)
Bill 1987

EXPLANATORY MEMORANDUM

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

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OUTLINE

The purpose of this Bill is to provide an Act for the provision of grants of financial assistance to the States and the Northern Territory for tertiary education for 1988. The Bill reflects Government decisions made in the 1987/88 Budget context and subsequently, including the transfer of administrative responsibility for Commonwealth tertiary education programs to the Department of Employment, Education and Training.

The Bill continues tertiary funding into 1988 and will appropriate some \$2708 million for grants for universities, advanced education, technical and further education and non-government business colleges. These grants, at June 1987 price levels, are subject to legislative conditions which are specified in the Bill.

The Bill gives effect to a number of the funding measures announced in the recent Ministerial Statements "Skills for Australia" and "The Challenge for Higher Education in Australia". Its provisions include:

- restructuring of Commonwealth financial assistance for TAFE, including the reorientation of recurrent expenditure assistance and the combination of capital and equipment grants into a single infrastructure program
- a limited relaxation of the legislative prohibition on fees in a designated range of TAFE and higher education courses, as approved by the Minister without affecting the levels of legislated grants to the States and institutions involved
- the provision of a single grant for the Support of Special Research Centres, Key Centres of Teaching and Research, and targeted research activities in advanced education institutions and
- maintenance of the higher education administration charge at the same real level as in 1987, and the extension of exemption from the charge to dependant spouses of certain persons already exempted from the charge.

A number of technical changes have also been made to simplify the structure and presentation of the Bill.

FINANCIAL IMPACT

The Government's 1987/88 Budget decisions provided for a total of \$2792 million to be made available in 1988 under tertiary education programs.

Following cost supplementation in accordance with approved Government policy this will amount to \$2908.4 million in June 1987 price levels comprising \$2624.1 million for higher education and \$284.3 million for Technical and Further Education (TAFE).

This Bill will appropriate some \$2708 million for the funding of tertiary education in the States and the Northern Territory (excluding non-government business colleges). In addition an amount of \$199.3 million will be provided in Annual Appropriation Acts for institutions funded directly by the Commonwealth, \$167.0 million under the Department of Employment, Education and Training in respect of the Australian National University and the Australian Maritime College, and \$32.3 million through the ACT Administration Office of the Department of Arts, Sport, the Environment, Tourism and Territories for the Canberra College of Advanced Education and the Signadou College of Education.

The grants legislated in this Bill (subject to specified conditions) for 1988 are as follows:-

\$m

Higher Education

Recurrent

| | |
|------------------------------------|---------|
| . Universities | 1,248.4 |
| . Advanced Education | 868.6 |
| . Institutes of Tertiary Education | 21.2 |
| . Intersectoral | 65.4 |

2,203.6

| | |
|-----------|-------|
| Capital | 122.3 |
| Equipment | 97.9 |

TOTAL Higher Education 2,423.8

Technical and Further Education

| | |
|-----------------------|-------|
| Recurrent | 109.5 |
| Capital and Equipment | 174.8 |

TOTAL TAFE 284.3

TOTAL GRANTS 2,708.1

In addition to the amounts specifically allocated in the Schedules, the Bill also provides special allocations as follows -

- a) an amount of \$1.232 million to assist in the promotion of equality of opportunity in higher education in terms of improving access for disadvantaged groups.
- b) an amount of \$8.730 million for approved proposals to assist institutions in promoting greater participation of Aborigines in higher education
- c) an amount of \$4.108 million for special assistance to needy students
- d) an amount of \$12.838 million for approved proposals for special research centres, key centres of teaching and research, or on programs of research in higher education
- e) additional funds up to \$38.513 million to assist institutions in meeting unavoidable increases in superannuation costs
- f) in TAFE, \$103.100 million for General Recurrent, \$2.474 million for adult education including adult literacy programs, \$3.918 million for advanced English language courses for migrants, and \$174.831 million for buildings and equipment.

CLAUSES OF THE BILL

- Clause 1 : Short title
- Clause 2 : Commencement: The Act comes into operation on Royal Assent.
- Clause 3 : Interpretation: Defines words and terms used in the Bill.
- Clause 4 : New teaching developments: This clause provides for the Minister to declare higher education courses to be new teaching developments.
- Clause 5 : Estimate of relevant enrolments: This clause requires the Minister to estimate the number of enrolments at each institution to which the higher education administration charge is to apply.
- Clause 6 : Calculation of the amounts of reductions: This clause provides for the calculation of the amount by which grants to institutions are to be reduced as a result of the requirement to impose the higher education charge.
- Clause 7 : Adjustments where estimated enrolments not equal to actual enrolments. This clause provides that adjustments may be made where actual enrolments in 1987 are at variance with the estimates made for calculation of the grant deductions under the previous Act.
- Clause 8 : Liability to charge: This clause establishes a student's liability to pay the charge either on the date of enrolment, or a date or dates specified by the Minister for an institution by notice in the Gazette before 31 December 1987.
- Clause 9 : Student Fees: This clause enables the Minister to respond to approaches by higher education institutions, or the States in the case of TAFE institutions for the relaxation of the fees prohibition for students who are, or have been established in employment and who wish to return to study to improve their qualifications or employment prospects.

PART II - HIGHER EDUCATION RECURRENT GRANTS

Division 1 - General recurrent grants

- Clause 10 : Grants for expenditure for university purposes and college purposes: This clause provides for general purpose recurrent grants for universities and colleges - Schedules 1 and 2.
- Clause 11 : Promotion of equality of opportunity: This clause empowers the Minister to approve funding for proposals from institutions, other interested bodies or persons to promote equity in higher education by improving access for disadvantaged groups.
- Clause 12 : Recurrent grants may be increased to assist institutions in promoting greater participation of Aborigines in higher education: This clause empowers the Minister to approve funding for proposals from institutions offering increased participation for Aborigines in higher education courses. Approved amounts are deemed to be added to the allocations to institutions in Schedules 1, 2, 5, 6 and 7. The clause also empowers the Minister to provide funds to the Northern Territory.
- Clause 13 : Special assistance for students: This clause empowers the Minister to make grants to universities, colleges of advanced education, institutes of tertiary education, non-government teachers colleges and technical and further education institutions providing advanced education courses to be used for grants or loans to needy students to meet accommodation costs or provide emergency assistance where a students continuing study is jeopardised.
- Clause 14 : Special research assistance: This clause provides grants of financial assistance for special research centres, key centres of teaching and research, or on programs of research in higher education. The legislative conditions on these grants recognise that "expenditure" includes approved commitments made during the year of the grant.
- Clause 15 : Recurrent grants may be increased to assist institutions in meeting certain superannuation expenses: This clause enables funds to be made available to assist universities and colleges of advanced education involved in emerging cost superannuation schemes to meet unavoidable cost increases. Approved amounts are deemed to be added to the allocations to institutions in Schedules 1 and 2.

Division 2 - Special grants for universities

- Clause 16 : Special research grants: This clause provides grants of financial assistance for research activities. The legislative conditions on these grants recognise that "expenditure" includes approved commitments made during the year of the grant - Schedule 3.
- Clause 17 : Recurrent grants in respect of teaching hospitals: This clause provides grants of financial assistance in respect of contributions by a university towards the "appropriate costs" of either the teaching hospital of the university or a separate teaching hospital - Schedule 4. "Appropriate costs" includes expenditure on medical teaching facilities, equipment and library materials.

Division 3 - Special grants for advanced education

- Clause 18 : Grants for expenditure in connection with the provision of courses of advanced education in institutes of tertiary education: This clause provides grants of financial assistance to those States which provide courses of advanced education at institutions of tertiary education - Schedule 5.
- Clause 19 : Grants for expenditure in connection with the provision of courses of advanced education in technical and further education institutions: This clause provides grants of financial assistance to those States which provide courses of advanced education at TAFE institutions - Schedule 6.
- Clause 20 : Grants for courses of teacher education provided by non-government teachers colleges: This clause empowers the Minister to authorise the payment (via a State) of financial assistance for the general purpose recurrent expenditure of non-government teachers colleges for the provision of courses of teacher education. The non-government teachers colleges are Avondale Colleges (New South Wales) and McAuley College (Queensland) - Schedule 7.

PART III - TECHNICAL AND FURTHER EDUCATION
RECURRENT GRANTS

Division 1 - General Recurrent Grants

- Clause 21 : Grants for recurrent expenditure in connection with the provision of technical and further education: The clause provides for the Minister to approve recurrent grants to the States and Northern Territory within terms of agreements for resource allocation reached with the Commonwealth.
- Clause 22 : Grants for adult education: This clause provides for the Minister to approve grants for expenditure on certain adult education courses, including adult literacy programs, to bodies recommended by the States.
- Clause 23 : Grants for advanced English language courses for migrants: This clause provides for the Minister to approve grants for the provision of courses in advanced English for migrants.

Division 2 - Special grants for
non-government business colleges.

- Clause 24 : Approvals by Minister in respect of 1988: This clause empowers the Minister to approve, for funding purposes, a course of instruction in secretarial studies provided by a non-government business college.
- Clause 25 : Grants for approved courses provided by non-government business colleges: This clause empowers the Minister to authorise payment to a State in 1988 of financial assistance for recurrent expenditure incurred by a non-government business college - Schedule 11.

PART IV - EQUIPMENT AND BUILDING GRANTS

Division 1 - Higher Education

- Clause 26 : Equipment grants for relevant higher education institutions: This clause provide grants for the acquisition of equipment by universities, colleges of advanced education, non-government teachers colleges, and institutes of tertiary education - Schedule 8.

- Clause 27 : Approval of, and directions relating to, additional building projects: This clause enables the Minister to approve building projects additional to those in Schedule 9.
- Clause 28 : Major building projects: This clause provides for grants for major building projects in universities, colleges of advanced education and institutes of tertiary education - Schedule 9.
- Clause 29 : Minor building projects: This clause provides for approval of and grants for minor building projects at universities, colleges of advanced education, institutes of tertiary education and specified non-government teacher colleges - Schedule 10.
- Clause 30 : Conditions attaching to building grants: This clause provides the conditions to apply to major and minor building projects funded under Clauses 38 and 39.

Division 2 - Technical and Further Education

- Clause 31 : Grants for building or equipment expenditure in connection with the provision of technical and further education: This clause provides for the Minister to approve grants for expenditure on buildings or equipment at TAFE institutions and institutes of tertiary education relevant to technical and further education.

PART V - VARIATIONS

- Clause 32 : Variations of amounts relating to recurrent expenditure for universities and advanced education: This clause enables the Minister to vary the recurrent grants payable to universities, colleges of advanced education, non-government teachers colleges and TAFE institutions conducting advanced education courses. The Minister is not empowered to vary the aggregate of all amounts shown in Schedules 1, 2, 5, 6 and 7 payable in a year to these institutions.
- Clause 33 : Variations of amounts relating to special research grants: This clause enables the Minister to vary the grants payable to a university for special research purposes. The Minister is not empowered to vary the aggregate of all amounts payable in a year shown in Schedule 3.

- Clause 34 : Variation of amounts relating to building expenditure and certain equipment expenditure: This clause enables the Minister to vary the amounts payable in a year in respect of approved projects. The Minister is not empowered to vary the aggregate of the amounts shown in Schedules 9,10 and Section 32.
- Clause 35 : Variation of amounts relating to equipment grants for relevant higher education institutions: This clause enables the Minister to vary the amounts payable for equipment purchases for universities and advanced education. The Minister is not empowered to vary the aggregate of the amounts in each year shown in Schedule 8.
- Clause 36 : Variations affecting State entitlements to grants: This clause provides conditions similar to those in Clause 31 on Ministerial determinations under Clause 41.
- Clause 37 : Application of Part XII of Acts Interpretation Act 1901 to certain instruments: This clause provides for Parliamentary scrutiny and disallowance if required to variations determined by the Minister under specific sections of this legislation.

PART VI - MISCELLANEOUS

- Clause 38 : Benefits of, and opportunities created by, grants to be equally available to male students and female students: This clause specifies conditions for equality of opportunity arising from grants under this legislation.
- Clause 39 : Additional conditions etc.: This clause empowers the Minister to take action in the event of a breach of the conditions of grants as follows:
- (a) General: Except in the case of (b) below, where there has been a breach of the conditions the Minister may seek recovery of all or part of the relevant grant.
 - (b) Academic salaries: Where an institution pays salaries different from those recommended or awarded by the Academic Salaries Tribunal or the Australian Conciliation and Arbitration Commission, the Minister has discretion to reduce the recurrent grant to the institution in the following year.

Clause 40 : Time and manner of payments: This clause enables the Minister to determine the amounts and timing of payments to the States and the Northern Territory.

Clause 41 : Delegation: This clause enables the Minister to delegate powers under the legislation to officers of the Department of Employment, Education and Training.

Clauses 42 to 47 : Financial Machinery Provisions: These clauses provide standard mechanisms for the appropriation of, and payment of, moneys under the Act.

Clause 48 : Report by the Minister: This clause requires the Minister to table, as soon as practicable after the end of each calendar year, details of determinations made by the Minister under the legislation.

