Digest of Bill

Purpose
To provide capital and recurrent grants for higher education institutions for 1992 and to adjust certain grants.

Background

The Higher Education Funding Act 1988 (the Principal Act) is best known as the legislation which introduced the higher education contribution scheme. However, the Principal Act also dealt with funding for higher education in the period 1989 – 1991. Funding is provided on a rolling triennium basis, which means that funding for the next three years is known in advance. For example, this Bill deals with funding for 1992, so that funding levels for 1990, 1991 and 1992 are known in 1989. This can be compared with the previous practice where the funding would be set for three years and towards the end of that period there would be an inquiry to determine funding for the next triennium. The main points of note for 1992 are an increase in funding to cover 4000 additional entrants and some reorganisation in research grants. Another feature of education funding is cost supplementation, where grants are adjusted to cover increased costs.

Main Provisions

Section 17 of the Principal Act, which deals with the maximum level of recurrent grants, will be amended to provide cost supplementation for 1990 and 1991 and to set the maximum level for 1992 at $2 342 969 000. The new 1991 figure will be $2 297 052 000 (clause 5).

The maximum grant for Aboriginal participation projects in 1992 will be $13 76 000 (clause 6 which will amend section 19 of the Principal Act).

Clause 7 will reduce the amount provided under section 20 of the Principal Act for superannuation expenses for 1990 and 1991 and establish the level in 1992. The reductions reflect a transfer of approximately $70 million from this, specific category to base operating grants.
Clause 8 will provide the 1992 level of grants for projects of national priority, while clause 9 will perform the same function in respect of grants to promote equal opportunity.

Clause 10 will amend section 23 of the Principal Act, which deals with special research assistance. The scope of the section will be expanded to include postgraduate research and the funds previously appropriated under other Acts for this purpose will now be included in the Principal Act. The clause also provides the funding level for 1992.

Grants for building projects will be adjusted to provide for cost supplementation in 1990 and 1991. Clause 12 will also set the level of grants for 1992. Clause 15 will achieve the same result in respect of grants for building projects. It should be noted that the 1992 funding level will be the same, in nominal terms, as 1991.

The 1992 level of funding will be set for teaching hospitals (clause 11), additional grants for Aboriginal participation projects (clause 13), and additional grants for equal opportunity (clause 14).

For further information, if required, contact the Education and Welfare Group.

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Bills Digest Service
Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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