States Grants (Tertiary Education Assistance) Amendment Bill 1988

Date Introduced: 27 April 1988
House: House of Representatives

Digest of Bill

Purpose
To adjust 1988 tertiary education grants for cost increases and to provide funds for superannuation in higher education.

Background
Grants for tertiary education in 1988 are provided by the States Grants (Tertiary Education Assistance) Act 1987. This legislation represented a break from the traditional triennial funding arrangements as the Government did not wish to begin a new triennium while undertaking major reforms in the funding of higher education.

The adjustments to grants for cost measures will result in additional expenditure of $42.9m. The Bill will also provide $23.0m for superannuation in higher education institutions. In its Guidelines to the Commonwealth Tertiary Education Commission for 1988, the Government indicated that superannuation costs for higher education institutions would be shared with the States on the following basis:

- the States and the Commonwealth will share the cost of accrued liability relevant to the period prior to 1974 on the same basis as the Commonwealth matched State funds for higher education at that time;
- the Commonwealth will bear the full cost of accrued liability between 1974 and 1981; and
- the States and the Commonwealth will share the cost of accrued liability post 1981 on the basis of the Commonwealth meeting all costs up to a limit of 14 per cent of salaries of staff in superannuation schemes.
If States decide not to make their contributions directly to the institutions involved, the Commonwealth offsets the relevant amounts from general revenue payments it makes to the States. Details of these arrangements were given in the 1987–88 Budget.¹

The Bill will also provide $560,000 for the coordination of drug and alcohol education in teaching hospitals.

Main Provisions

Clause 7 amends section 15 of the Principal Act to increase grants to assist institutions to meet superannuation expenses.

Clause 8 inserts a new section 17A in Division 2 of the Principal Act to provide grants to teaching hospitals for drug and alcohol education.

Clause 15 substitutes new Schedules containing the adjustments for cost supplementation.

References


For further information, if required, contact the Law and Government Group.

10 September 1988

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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