States Grants (Tertiary Education Assistance) Bill 1987

Date Introduced: 5 November 1987
House: House of Representatives

Digest of Bill

Purpose
To provide for grants to the States and Northern Territory in 1988 in respect of recurrent, building and equipment expenditure on institutes of higher education (i.e. universities, colleges of advanced education and TAFEs). The Bill will also allow institutions to charge fees in respect of post-graduate courses (or courses other than initial vocational training courses for TAFEs) specified by the Minister, where the person has earned a living at any time.

Background
It has been common practice for funding for tertiary education institutions to be based on three year periods with the distribution of funds being determined by the Commonwealth Tertiary Education Commission (CTEC). The last triennium finishes at the end of 1987. CTEC had developed a plan for the 1988–90 triennium and that plan was submitted to the Minister. In the 1987–88 Budget, the Government announced that funding for the new triennium would not proceed but that funding for 1988 would be on an interim basis pending further consideration of the direction of higher education. The considerations would involve CTEC's 1986 report *Review of Efficiency and Effectiveness in Higher Education* and the Government's aims to increase the intake of school leavers and to increase the emphasis placed on certain courses such as science, technology, computer science and commerce. A statement to the House of Representatives by the Minister on 22 September 1987 outlined the Government's plans in this area. Amongst the Government's aims were more efficient use of resources, both human and capital; a move to a more competitive system for the distribution of funds based on results; and the better use of research funds.¹

In the context of these considerations, certain decisions were made affecting higher education. As a result of these decisions, the Australian Research Council (ARC) was established within the Employment, Education
and Training portfolio. In 1988, $5 million will be transferred from general recurrent funding for universities to fund Special Research Centers and Key Centres of Teaching and Research, and research programs in technological institutions, on the advice of the ARC. In addition, in a letter to CTEC dated 3 September 1987, the Minister notified CTEC that the responsibility for funding TAFE institutions would be transferred to the Department of Employment, Education and Training.

Regarding the 1988 plans, the Minister issued guidelines to CTEC announcing that funding for higher education in that year would be $2559.4 million, an increase of 2% on the previous year. Of that amount, $38.4 million would be provided to fund an additional 3500 to 4000 intakes. The Minister also requested that 5800 intakes be made available to young school leavers.

Further, it was announced that universities and TAFEs would be allowed to charge fees for post graduate and other courses for a qualification other than a course for an initial vocational qualification. Such fees are only to be levied on those who have earned a living and so will not apply to those proceeding direct to such courses from undergraduate courses. The imposition of such fees will only be at the institutions request and there will be no reduction in grants to offset the income earned through the fees.

Outline

The payment of grants to the States or Northern Territory will be subject to the conditions specified in the Bill. The Minister will determine the conditions attached to grants payable directly to higher education institutions. The distribution of funds is detailed in the Schedules to the Bill.

Main Provisions

Some of the Bill's provisions require an amount specified for a grant to be reduced by the amount calculated under clause 6. That will be obtained by multiplying 90% of the amount collected by an institution from the Higher Education Administration Charge by the number of relevant enrolments (clause 6). 'Relevant enrolments' will be most enrolments at higher education institutions, excluding TAFE colleges (clause 3).

Clause 9 will authorise the Minister, on application by a university, CAE or other institute of tertiary education (ITE), to specify post-graduate courses for which fees will be payable by students with educational qualifications who have earned their own living. Fees may also be imposed for TAFE courses, other than courses for an initial vocational qualification, in respect of such students where the relevant State has requested that fees be payable in respect of that course.

Part II (clauses 10 to 20) will provide for the payment of recurrent grants for higher education.
Schedules 1 and 2 to the Bill specify the universities and CAEs to which grants will be paid for teaching, research and buildings. The amount payable will be the amount specified in the Schedule less the amount calculated under clause 6 (clause 10).

The Minister will be able to approve proposals and determine funding not in excess of $1 232 000 for equal opportunity projects at institutions other than non-government teachers colleges (clause 11).

A maximum of $8 730 000 will be available for projects designed to promote Aboriginal participation in higher education (clause 12).

The Minister will be able to determine amounts to be paid to the States and the Northern Territory for expenditure on loans and grants to students. This assistance is not to exceed $4 108 000 (clause 13).

Clause 14 will enable the Minister to approve proposals and determine amounts totalling no more than $12 838 000 to be made available to universities and CAEs for special research centres or programs. The grants will be payable to the States (clause 14).

Additional assistance, not exceeding $38 513 000 may be payable to a university or CAE for expenditure on superannuation (clause 15).

Special research grants will be payable to the States for the universities specified in Schedule 3 to the Bill, which also contains the amount allocated to each university (clause 16). Clause 17 will provide for grants for teaching hospitals, specified in Schedule 4.

Clauses 18, 19 and 20 provide for payment to the States of grants for the running of courses of advanced education at ITEs, TAFEs and non-government teachers colleges. The amounts of the grants are specified in Schedules 5, 6 and 7 respectively subject to reduction according to the provisions of clause 6.

Part III (clauses 21 to 25) deals with recurrent grants for technical and further education.

The Minister will be able to determine amounts of general grants of maximum $103 100 000 (clause 21); grants for adult education not exceeding $2 474 000 (clause 22); and grants for advanced English language courses for migrants of no more than $3 918 000 (clause 23) for payment to the States.

Payment to the States of grants for approved courses provided by non-government business colleges may be authorised by the Minister (clause 25).

Part IV (clauses 26 to 31) deals with equipment and building grants.
The maximum amount that may be paid to a State for acquisition of equipment by higher education institutions, excluding TAFE colleges, is specified in Schedule 8 (clause 26).

Schedule 9 specifies the building projects that have been approved for particular higher education institutions, the estimated maximum Commonwealth contribution towards the cost of the project and the amount of grant for 1988. Clause 27 will allow the Minister to approve additional building projects for 1988 as well as the estimated maximum Commonwealth contribution and the amount of expenditure for 1988 for those projects. Amounts specified in Schedule 9 will be payable to the States (clause 28). In addition, the Minister will be able to approve grants, payable to the States, for minor building projects in addition to those specified in Schedule 10 (clause 29).

The Minister may approve proposals and determine amounts not in excess of $174,831,000 for buildings and equipment for technical and further education at TAFE colleges and ITEs (clause 31).

Clause 38 will ensure that male and female students will benefit equally from the payment of any grants.

Clause 41 will provide for the delegation of the Minister's powers to a Departmental officer.

References
4. Ibid., p.76.

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

3 December 1987

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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