

1984

THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

STATES GRANTS (TERTIARY EDUCATION ASSISTANCE)

BILL 1984

EXPLANATORY MEMORANDUM

(Circulated by authority of the
Minister for Education and Youth Affairs
Senator the Hon. Susan Ryan)

October 1984

OUTLINE

States Grants (Tertiary Education Assistance)

Bill 1984

The purpose of this Bill is to provide a Principal Act for the provision of grants of financial assistance to the States and the Northern Territory for tertiary education for the 1985-87 triennium. The Bill reflects Government decisions taken after consideration of Volume 2 of the Commonwealth Tertiary Education Commission's Report for 1985-87 Triennium. The Bill will appropriate some \$508.1 million for grants for universities, advanced education, technical and further education and non-government business colleges. These grants are subject to legislative conditions which are specified in the Bill.

The Bill also provides supplementation for grants already appropriated for 1984 under the States Grants (Tertiary Education Assistance) Act 1981. The total amount of supplementation is some \$11 million.

BACKGROUND NOTES ON FINANCIAL MATTERS CONCERNING THE BILL

The "Guidelines to the Commonwealth Tertiary Education Commission for the 1985-87 Triennium" released on 5 July 1984 provided for an amount of \$6040 million for the triennium for higher education and \$288 million for 1985 for TAFE. These amounts, cost supplemented in accordance with approved Government policy, total some \$6622 million.

This Bill will appropriate some \$6076 million for the funding of tertiary education in the States and the Northern Territory (excluding non-government business colleges). In addition, an amount of \$511 million for grants for Commonwealth direct-funded institutions will be provided under Commonwealth Department of Education and Youth Affairs items in Annual Appropriation Acts. The institutions concerned are The Australian National University, The Canberra College of Advanced Education, The Australian Maritime College and Signadou Teachers College.

A further amount of \$35 million will be appropriated under the States Grants (Education Assistance - Participation and Equity) Amendment Bill (No. 2) 1984 for the TAFE sector for 1985.

DETAILED DESCRIPTION OF BILL AND

NOTES ON CLAUSES

States Grants (Tertiary Education Assistance) Bill 1984
1985-87 Triennium

Parts I to VI of the Bill provide financial assistance for universities, advanced education and technical and further education in the States and the Northern Territory in accordance with the Government's decisions on Volume 2 of the Commonwealth Tertiary Education Commission's Report for 1985-87 Triennium. These Parts of the Bill will:

- (a) in accordance with the Government's commitment to tertiary education in Australia, provide grants of financial assistance (subject to specified conditions) to the States and the Northern Territory for the 1985-87 triennium, as follows:

	1985	1986	1987
	\$m	\$m	\$m
<u>Universities</u>			
Recurrent	1,038.0	1,044.2	1,048.5
Equipment	47.7	47.7	47.7
Capital	<u>27.0</u>	<u>27.6</u>	<u>26.1</u>
Total Universities	<u>1,112.7</u>	<u>1,119.5</u>	<u>1,122.3</u>
<u>Advanced Education</u>			
Recurrent	714.9	726.2	735.1
Equipment	26.5	26.5	26.5
Capital	<u>35.9</u>	<u>37.8</u>	<u>39.2</u>
Total Advanced Education	<u>777.3</u>	<u>790.5</u>	<u>800.8</u>

Intersectoral

Recurrent	<u>20.6</u>	<u>27.3</u>	<u>32.6</u>
Total Higher Education	<u>1,910.6</u>	<u>1,937.3</u>	<u>1,955.9</u>

Technical and Further Education

Recurrent	122.4	--	--
Equipment	14.2	--	--
Capital	<u>135.4</u>		
Total TAFE	<u>272.0</u>	<u>--</u>	<u>--</u>
TOTAL GRANTS	<u>2,182.6</u>	<u>1,937.3</u>	<u>1,955.9</u>

- (b) provide an amount of \$4.5 million for the triennium for approved proposals to assist institutions in promoting greater participation of Aborigines in tertiary education.
- (c) provide an amount of \$3.1 million for the triennium to assist in the promotion of equity in higher education in terms of improving access for disadvantaged groups.
- (d) provide an amount of \$10.5 million for the triennium for special assistance to needy students;
- (e) provide an amount of \$3.1 million for the triennium for the establishment of key centres of teaching and research in the higher education sector;
- (f) provide additional funds to assist institutions in meeting unavoidable increases in superannuation costs;

(g) modify existing policies relating to the legislative conditions of grants, in the following respects:

- . provide for the Minister to be able to vary the grants payable to institutions, sectors and States;
- . allow automatic carry-over of under/over expenditure of recurrent grants for the higher education sector up to a prescribed limit;
- . provide for the Minister to approve the commencement of an approved capital project prior to the grant year;
- . remove the previous limitation on the expenditure of advanced education recurrent funds on continuing education.

1982-84 Triennium

Part VII of the Bill amends the States Grants (Tertiary Education Assistance) Act 1981 to supplement 1984 grants for cost movements in accordance with approved cost supplementation procedures. The total amount of supplementation to be provided by this Part is some \$11 million. The supplementation is provided by way of amendments to Sections of the Act and replacement of schedules of grants.

Notes on the clauses of the Bill follow:

CLAUSES OF THE BILL

PART I - PRELIMINARY

Clause 1 : Short title

Clause 2 : Commencement date: The Act comes into operation on the day on which it receives the Royal Assent.

Clause 3 : Interpretation: Definitions of words and terms used in the Bill.

Clause 4 : New teaching developments: This clause provides that the Minister, on the recommendation of the Commission, may make a declaration relating to the classes of courses which are to constitute new teaching developments at universities and in advanced education. It empowers the Commission to disapprove a proposed new teaching development, for purposes of funding by the Commonwealth.

PART II - RECURRENT GRANTS

Division 1 - General Recurrent Grants

Clause 5: Grants for expenditure on university purposes and college purposes:

This clause provides for:

- general purpose recurrent grants for the 1985-87 triennium for universities and colleges - Schedules 1 and 3;

special purpose (earmarked) recurrent grants for

university purposes for the 1985-87 triennium -

Schedule 2. These grants are incorporated within the

amounts shown in Schedule 1;

the legislative conditions applicable to general purpose

recurrent grants for universities (see also Clause 46); and

the carry forward of under-expenditure and over-

expenditure from one year to the next (including 1984 to

1985). Where the sum involved is 1 per cent or less of

the recurrent grant paid the carry forward is

automatically deemed to be approved; above that limit the

Minister must be satisfied that the circumstances warrant

approval to the carry forward. (See also Clause 26).

Clause 6: **Grants for recurrent expenditure of technical and further education institutions:** This clause provides recurrent

grants to the States and the Northern Territory for the

reimbursement of fees foregone in vocational and preparatory courses of technical and further education for the year 1985

- Schedule 4.

Clause 7: **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, in terms of improving access for

disadvantaged groups.

Clause 8: Recurrent grants may be increased to assist institutions in promoting greater participation of Aborigines in tertiary 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, 3, 7, 8 and 9.

Clause 9: Special assistance for students: This clause empowers the Minister to make grants to universities, colleges of advanced education and non-government teachers colleges to be used for grants or loans to needy students to meet accommodation costs or provide emergency assistance where a student's continuing study is jeopardised.

Clause 10: Key centres of teaching and research: This clause provides funds to establish key centres of teaching and research in both the university and advanced education sectors. The legislative conditions on these grants recognise that "expenditure" includes approved commitments made during the year of the grant.

Clause 11: 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 3.

Clause 12: Recurrent grants in respect of student residences and affiliated colleges: This clause provides funds in 1985 and 1986 under existing funding arrangements to collegiate style student accommodation. These arrangements are to be phased out by the end of 1986. Funds are to be reallocated for the introduction of the program of special assistance for students (see Clause 9).

Division 2 - Special grants for universities

Clause 13: Special research grants: This clause provides grants of financial assistance for university research activities for the 1985-87 triennium. The legislative conditions on these grants recognise that "expenditure" includes approved commitments made during the year of the grant - Schedule 5.

Clause 14: Special research centres: This clause empowers the Minister to approve the funding of proposals submitted in respect of a university relating to special research centres.

Clause 15: 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, for the triennium 1985-87 - Schedule 6. "Appropriate costs" includes expenditure on medical teaching facilities, equipment and library materials.

Division 3 - Special grants for advanced education

Clause 16: 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 7.

Clause 17: Grants to Northern Territory for recurrent expenditure in respect of courses of advanced education, etc.: This clause provides general purpose recurrent grants to the Northern Territory for courses of advanced education for the 1985-87 triennium - Schedule 8.

Clause 18: 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 advanced education. The non-government teachers colleges are Avondale College (New South Wales) and McAuley College (Queensland) - Schedule 9.

Division 4 - Special grants for technical and further education

Clause 19: Interpretation:

Clause 20: Grants for special courses: This clause provides for the Minister to approve grants to the States for 1985 to support special courses providing greater access for disadvantaged groups including adult literacy courses and courses for migrants, Aborigines and women and girls - Schedule 10.

Clause 21: Grants for special services: This clause provides for the Minister to approve grants to the States for 1985 for student services including student residences and counselling, health, welfare and child care services - Schedule 11.

Clause 22: Quality improvement grants: This clause provides for the Minister to approve grants to the States for 1985 in connection with proposals for quality improvement including the development of curricula, learning materials, external studies and Learning Resource Centres - Schedule 12.

Clause 23: Management Grants: This clause provides for the Minister to approve grants to the States for 1985 for expenditure on proposals for staff training, development and operation of management information systems and a computer-based national student statistics system - Schedule 13.

Clause 24: Conditions attaching to grants for technical and further education institutions.

Clause 25: Grants for adult education provided by non-government bodies: This clause provides grants for 1985 for expenditure by approved non-government bodies which conduct certain part-time courses of adult education - Schedule 14.

Division 5 - Variations of Schedules

Clause 26: Variations of amounts specified in certain Schedules 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 (see also Clause 31). The Minister is not empowered to vary the aggregate of all amounts shown in Schedules 1, 3, 7, 8 and 9 payable in a year to these institutions.

Clause 27: Variations of amounts specified in Schedule relating to recurrent expenditure in relation to technical and further education institutions; This clause enables the Minister to vary the recurrent grants payable to a State for technical and further education (see also Clause 31). The Minister is not empowered to vary the aggregate of all amounts shown in Schedule 4.

Clause 28: Variations of amounts specified in Schedule relating to special research grants: This clause enables the Minister to vary the grants payable to a university for special research purposes (see also Clause 31). The Minister is not empowered to vary the aggregate of all amounts payable in a year shown in Schedule 5.

Clause 29: Variations of amounts specified in certain Schedules relating to grants designated for technical and further education: This clause enables the Minister to vary the special purpose grants payable for technical and further education (see also Clause 31). The Minister is not empowered to vary the aggregate of all amounts shown in Schedules 10, 11, 12 and 13.

Clause 30: Variations of amounts specified in Schedule relating to adult education: This clause enables the Minister to vary the special purpose grants payable to a State for the provision of courses of adult education by non-government institutions (see also Clause 31). The Minister is not empowered to vary the aggregate of all amounts shown in Schedule 14.

Clause 31: Variations affecting State entitlements to grants: This clause provides for the conditions under which the Minister may approve variations under Clauses 26, 27, 28, 29, 30 and 31. Before a variation may be approved the Minister or Commission is required to consult the State or States involved. The Minister shall not vary the grants payable to

a State such that a State would be required to repay an amount to the Commonwealth. Where the aggregate of the amounts payable to a State are varied the Minister is required to table details of the variation before each House of the Parliament as soon as practicable.

PART III - EQUIPMENT GRANTS

Clauses 32 to 34: These clauses provide grants for the acquisition of equipment by universities, colleges of advanced education, non-government teachers colleges, technical and further education institutions and Northern Territory tertiary education institutions - Schedules 15, 16 and 17.

Clause 35: Variation of amounts specified in certain Schedules relating to equipment grants: 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 Schedules 15 and 16. This clause also enables the Minister to vary grants payable to a State for equipment purchases for technical and further education. The Minister is not empowered to vary the aggregate of the amount shown in Schedule 17.

Clause 36: Variations affecting State entitlement to grants: This clause provides conditions, similar to those in Clause 31, on, Ministerial determinations under Clause 35 .

PART IV - BUILDING GRANTS

- Clause 37: Approval of, and directions relating to additional building projects: This clause enables the Minister to approve building projects additional to those in Schedules 18, 19 and 20 within the aggregate for each year of the amounts available under these schedules.
- Clause 38: Major building projects: This clause provides for grants for major building projects in universities, colleges of advanced education and technical and further education institutions - Schedules 18, 19 and 20.
- Clause 39: Minor building projects: This clause provides for approval of and grants for minor building projects at universities, colleges of advanced education and specified non-government teachers colleges - Schedules 21 and 22.
- Clause 40: Conditions attaching to building grants: This clause provides the conditions to apply to major and minor building projects funded under Clauses 38 and 39.
- Clause 41: Variation of certain Schedules relating to building projects: 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 18, 19, 20, 21 and 22.

Clause 42: Variations affecting State entitlements to grants: This clause provides conditions similar to those in Clause 31 on Ministerial determinations under Clause 41.

PART V - NON-GOVERNMENT BUSINESS COLLEGES

Clause 43: Approvals by Minister: 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 44: Grants for approved courses provided by non-government business colleges: This clause empowers the Minister to authorise the payment to a State in 1985 of financial assistance for recurrent expenditure incurred by a non-government business college - Schedule 23.

PART VI - MISCELLANEOUS

Clause 45: 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 46: 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 by the Academic Salaries Tribunal, the Minister has discretion to reduce the recurrent grant to the institution in the following years.

Clause 47: Time and manner of payments: This clause enables the Minister for Finance to determine the amounts and timing of payments to the States and the Northern Territory.

Clause 48: Delegation: This clause enables the Minister to delegate powers under the legislation to the Commission and/or a full-time member of the Commission. The Commission may delegate its powers under the legislation to a full-time member of the Commission.

Clauses 49 Financial Machinery Provisions: These clauses provide to 54: standard mechanisms for the appropriation of, and payment of, moneys under the Act.

Clause 55: Report by 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 or the Commission.

PART VII - AMENDMENTS TO STATES GRANTS
(TERTIARY EDUCATION ASSISTANCE) ACT 1981.

Clause 56: Principal Act: The Act referred to provides grants of financial assistance for tertiary education for the 1982-84 triennium.

Clauses 57 to 62: These clauses amend specified Sections of the Principal Act to adjust for cost increases of 1984 grants and to authorise the transfer of certain unexpended 1983 moneys for superannuation to 1984 - Schedules 24, 25, 26, 27 and 28.

Clause 63: Substitution of Schedules: This clause provides for the substitution of specified Schedules as a result of adjustments for cost increases.

Clause 64: Payments made before Royal Assent: This clause ensures that payments for grants under the Principal Act are not duplicated by payments under the Principal Act as amended.





