Date introduced: 19 August 1986
House: House of Representatives
Presented by: Hon. John Dawkins, M.P.,
Minister for Trade

DIGEST OF BILL

Purpose

To require Commonwealth funded tertiary education institutions to impose a higher education administration charge.

Background

As part of the 1986-87 Budget it was announced by the Treasurer on 19 August 1986 that the Government would impose a higher education administration charge. In 1987 the charge is to be $250 per student enrolled and is a contribution towards the administrative costs of the institutions.

Institutions will be required to collect the charge at the time of enrolment (see the Maritime College Amendment Bill 1986, Australian National University Amendment Bill 1986 and the Canberra College of Advanced Education Amendment Bill 1986). For each institution the annual Commonwealth grant will be reduced by 90%; the remaining 10% will be retained by the institutions for their own purposes. Gross revenue collections by the institutions is estimated at $93.064 million; accordingly it is estimated that State and Northern Territory institutions will retain some $9.306 million.[1]

Some students will be exempted from paying the charge (see clause 3 of the Bill) and other students receiving TEAS, Post Graduate Awards or ABSTUDY allowances will have their benefit increased by the amount of the charge.[2]
Main Provisions

The definitions of 'charge', 'enrolment' and 'relevant enrolment' will be added to sub-section 3(1) of the Principal Act by clause 3.

Clause 4 will insert new sections 4A, 4B, 4C and 4D into the Principal Act.

Each year the Minister, after obtaining the advice of the Commonwealth Tertiary Education Commission (the Commission), will make an estimate of the number of relevant enrolments (proposed section 4A).

Commonwealth grants to each of the institutions will be reduced by 90% of the estimated revenue from the charge (proposed section 4B).

Adjustments of grants will be able to be made where estimated enrolments do not equal actual enrolments (proposed section 4C).

The amount of the charge in 1987 will be $250 for each relevant enrolment. In subsequent years the fee will be calculated by multiplying $250 by an index figure determined by the Commission and published in the Gazette (proposed section 4D).

Section 5 of the Principal Act provides for the amount each university and college is to receive by way of Commonwealth assistance in any year by reference to a schedule to the Principal Act. Clause 5 will amend section 5 of the Principal Act so that in each instance the amount granted will be reduced by the amount calculated under proposed section 4B.

Similarly, section 16 of the Principal Act provides for grants to technical and further education institutions, section 17 provides for grants to the Northern Territory for courses of advanced education and section 18 provides for grants for courses of teacher education provided by non-government teachers colleges. Clauses 6, 7 and 8 will amend sections 16, 17 and 18 of the Principal Act respectively so that in each case the amount of the grant will be reduced by the amount calculated under proposed section 4B.
The Minister is required to table reports of determinations made under various sections of the Principal Act in both Houses of Parliament (section 55 of the Principal Act). Clause 9 will amend sections 55 so that the Minister's estimates of the number of relevant enrolments made under proposed section 4A must also be tabled.

Remarks

Also refer to the Digests for the

Maritime College Amendment Bill 1986 (No. 86/107)
Australian National University Amendment Bill 1986 (No. 86/108)
Canberra College of Advanced Education Amendment Bill 1986 (No. 86/109)

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

3 September 1986

Bills Digest Service
LEGISLATIVE RESEARCH SERVICE

References

2. Ibid.

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