STATES GRANTS (TERTIARY EDUCATION ASSISTANCE) AMENDMENT BILL (NO. 3) 1986

Date introduced: 22 October 1986
House: House of Representatives
Presented by: Hon. John Dawkins, M.P., Minister Representing the Minister for Education

DIGEST OF BILL

Purpose

To amend the States Grants (Tertiary Education Assistance) Act 1984 (the Principal Act) to adjust grants for cost increases; to provide additional recurrent grants for higher education institutions for 1986 and 1987 and recurrent, equipment and capital grants for 1987 for the TAFE sector; to introduce a new category of recurrent and special grants for institutions of tertiary education; and to introduce traineeship grants for TAFEs.

Background

The Principal Act provides for funding to be made available to the States and the Northern Territory for universities, colleges of advanced education and technical and further education institutions. The Bill will provide an additional $414.7 million for the funding program in 1986 and 1987.

Approved grants are supplemented retrospectively for all cost increases up to the beginning of a calendar year and for further wage and salary increases during the calendar year. These arrangements are based on the Commonwealth Tertiary Education Commission's programs for the 1985 to 1987 triennium. The Bill will appropriate $89.4 million for adjustments to existing grants.

Additional grants for higher education for 1986 and 1987 will amount to $17.9 million. In its 1987 Guidelines to the Commonwealth Tertiary Education Commission (CTEC), the Government provided for additional recurrent funds to support the further increase in higher education intakes of
between 2700 and 3300 from 1986 to 1987 as announced in the 1986-87 Budget[1]. The Government has accepted the Commission's recommended allocation of the extra intakes and the associated recurrent funding.

In response to the recommendation of the Commonwealth Tertiary Education Commission in its Volume 3 Report, the Government has decided to include a new type of tertiary education institution in its funding program. Accordingly, the Bill will provide for recurrent and special grants to institutes of tertiary education which will provide both TAFE and higher education courses. The Western Institute in Victoria is the first institute of tertiary education to be established and is expected to take its first student intake in 1987 in temporary facilities. Construction of permanent facilities is scheduled to start in 1987. The Bill will provide for maximum recurrent grants to the Institute of $60 000 in 1986 and $1 653 000 in 1987. The maximum Government contribution toward the cost of the project for 1986 and 1987, including land purchase and building, will be $431 000 and $204 000 respectively.

For the TAFE sector in 1987, the Bill will appropriate $305.7 million. This will be made up of $102.7 million in fees reimbursement grants and $138.3 million in capital grants for 1987. Equipment grants and designated grants for special course provision will be maintained at the same real level as in 1986. In accordance with the decision in the 1986-87 Budget, $4 million will be appropriated for minor capital works and equipment purchases in 1986-87 to cater for the anticipated increase in demand for TAFE because of the Australian Traineeships System. An intake of 15 000 trainees is expected in 1986-87, most of whom will use the TAFE system for 13 weeks of off-the-job training[2].

Main Provisions

Clauses 5, 6, 7, 10, 11 and 12 will amend the Principal Act to include institutes of tertiary education in the provisions for general recurrent grants.

Clause 10 will also amend sub-section 7(5) of the Principal Act to adjust the limit for grants for equal opportunity projects in 1986 to $1 166 000 (an increase of $11 000) and $1 183 000 for 1987 to supplement for cost increases.
Section 8 of the Principal Act provides for an increase in recurrent grants to institutions which promote the participation of Aborigines in tertiary education. Clause 11 will increase the limit on these grants for 1987 to $5,228,000 (an increase of $1,351,000).

The limit on the aggregate amount payable to States for special assistance to eligible students at tertiary education institutions will be increased by $144,000 to $11,277,500 (clause 12 which will amend section 9 of the Principal Act). Clause 12 will also extend the Special Assistance to Students Program to TAFE students (proposed sub-sections 9(1A) and 9(1B)).

Section 10 of the Principal Act provides for grants to be made for the development of key centres of teaching and research by universities or colleges of advanced education. Clause 13 will increase the limit on these grants for 1986 by $11,000 to $1,166,000 and for 1987 to $1,183,000 (an increase of $33,000).

Universities and colleges of advanced education may be helped to meet certain superannuation expenses under section 11 of the Principal Act. Clause 14 will adjust the limit on these grants to $24,518,000 in 1986 (an increase of $211,000) and to $26,263,000 for 1987 (an increase of $733,000).

Section 12 of the Principal Act provides for financial assistance for student residences. Clause 15 will increase the limit on the total amount payable in 1986 by $12,000 to $1,448,000. The amount available for CAEs, their affiliated colleges and non-government teachers colleges in 1986 will be increased by $4,000 to $431,000.

Grants may be made under section 14 of the Principal Act to universities undertaking special research. Clause 16 will adjust the limit on the amount available in 1986 to $5,509,000 (an increase of $47,000) and increase the limit for 1987 by $151,000 to $5,586,000.

Clauses 17, 19, 20, 21, 22, 24 and 25 will amend the Principal Act to include institutes of tertiary education under the Australian Traineeship System. The total amount payable in 1987 will be limited to $4,000,000 (proposed sub-section 23A(6)).
Clause 28 will amend section 44 of the Principal Act to exclude overseas students from the calculation of per capita grants for approved courses provided by non-government business colleges.

Section 46 of the Principal Act specifies additional conditions for grants of financial assistance. Clause 29 will amend this section to reflect the proposed transfer of jurisdiction over salaries and conditions for academic staff from the Academic Salaries Tribunal to the Australian Conciliation and Arbitration Commission.

Clause 30 will substitute into the Principal Act revised Schedules 1-23 which detail the amounts allocated to various institutions.

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

Bills Digest Service
LEGISLATIVE RESEARCH SERVICE

4 December 1986

References
1. 1986-87 Budget Paper No.1, p.98.
2. Ibid., p.99.

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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