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I N F O R M A T I O N A N D R E S E A R C H S E R V I C E S

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No. 110 2001-02

Higher Education Legislation Amendment Bill (No.2) 2002

Kim Jackson
Social Policy Group
13 March 2002

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Higher Education Legislation Amendment Bill (No.2) 2002

Date Introduced: 20 February 2002

House: House of Representatives

Portfolio: Education, Science and Training

Commencement: Royal Assent

Purpose

This Bill amends the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*:

- to adjust grants for inflation and to reflect revised estimates, and
- to make a number of technical and other minor changes.

Background¹

The major sources of Commonwealth funds for higher education are Part 2.2 of the *Higher Education Funding Act 1988* (the HEFA), which provides grants for universities, and the *Australian Research Council Act 2001* (the ARCA), which funds the research grant schemes administered by the Australian Research Council. The HEFA provides maximum global amounts for broad categories of expenditure on a calendar year basis. The categories include operating grants (section 17), superannuation expenses (section 20), research and other special purposes (section 23), and capital projects (section 27A). Allocations for individual institutions are the subject of determinations by the Minister, which are disallowable by Parliament. Both Acts are amended annually to adjust grants for movements in prices and to add a year to the triennial funding provisions.

The Government's higher education programs are described in annual reports, the most recent being the *Higher Education Report for the 2002 to 2004 Triennium*.² Details of the Australian Research Council's programs can be obtained from their Internet site.³

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

In addition to indexation arrangements, the changes to the HEFA funding figures contained in this Bill reflect:

- revised estimates of receipts under the Higher Education Contribution Scheme (HECS)⁴ and of the Commonwealth's superannuation liability
- a transfer of funds to enable the Institute of Advanced Studies of the Australian National University to access block research grants and the Charles Sturt University to convert places to the Research Training Scheme, and
- an advance of operating grant to the University of Adelaide and the repayment of that advance.

The following table summarises the financial provisions of the Bill. The previous legislated funding levels are shown in brackets. These are from the *Innovation and Education Legislation Amendment Act (No.2) 2001* and the *Higher Education Funding Amendment Act 2001*.

Type of Grant	2001 \$ million	2002 \$ million	2003 \$ million	2004 \$ million	2005 \$ million
HEFA grants					
- Operating grants (s.17)	2749.2 (2753.5)	2803.4 (2830.8)	2810.4 (2814.6)	2825.1	
- Superannuation (s.20)		112.8 (112.6)	118.7 (103.2)	118.7	
- Open learning (s.22A)			0.2 (0.2)	0.2	
- Special research (s.23C)		1065.4 (1052.5)	1094.2 (1081.2)	1113.4	
- Teaching hospitals (s.24)		5.3 (5.3)	5.3 (5.3)	5.3	
- Capital projects (s.27A)		41.2 (41.2)	41.2 (41.2)	41.2	
- International marketing (s.27D)		5.3 (5.3)	5.3 (5.3)	5.3	
ARCA					
- Research grants (s.49)		272.4 (270.4)	339.6 (339.2)	386.2	442.4

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Main Provisions

Items 1 to 8 of Schedule 1 substitute new funding levels for grants of assistance to higher education institutions under the HEFA.

Item 3 of Schedule 2 substitutes new funding levels for research grants made under the ARCA.

Part 2 of Schedule 2 amends the ARCA to give the Australian Research Council the power to establish committees (other than committees which make funding recommendations under section 52) without Ministerial approval.

Endnotes

- 1 Further background on higher education funding policies can be obtained from the Parliamentary Library brief at: <http://www.aph.gov.au/library/intguide/SP/HEfunding.htm>
- 2 A draft pre-print of this report is available at:
http://www.deet.gov.au/highered/he_report/2002_2004/html/contents.htm
- 3 See: <http://www.arc.gov.au>
- 4 For further background on HECS, see the Parliamentary Library brief at:
<http://www.aph.gov.au/library/intguide/SP/HECS.htm>

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