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Higher Education Support (Transitional Provisions and Consequential Amendments) Bill 2003

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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. 57 2002–03

Higher Education Support (Transitional Provisions and
Consequential Amendments) Bill 2003

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10 November 2003

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Higher Education Support (Transitional Provisions and Consequential Amendments) Bill 2003

Date Introduced: 17 September 2003

House: House of Representatives

Portfolio: Education, Science and Training

Commencement: Various dates for the different provisions are set out in the table in **Section 2** of the Bill.

Purpose

This Bill provides transitional arrangements resulting from the passage of the Higher Education Support Bill 2003.

Background

Commonwealth funding for higher education, including the operation of the Higher Education Contribution Scheme (HECS), is currently provided under the terms of the *Higher Education Funding Act 1988* (the HEFA). This Bill is part of a package designed to replace this Act and establish the new funding system that was announced in the 2003-04 Budget. The other bills in the package are the Higher Education Support Bill 2003 and the Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2003.

Readers should consult the Digests for those Bills for more detailed background.

Main Provisions

Section 2 contains a table which lists the commencement dates for the various provisions of the Bill.

Comment: There appears to be an error in the table as two different commencement dates are given for section 4.

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.

Part 1 of Schedule 1 contains provisions to ensure that students who are enrolled in HECS liable higher education places before 1 January 2005 pay HECS student contributions at a level that would have prevailed under the current system until the end of 2008, rather than the new rates to be introduced by the Higher Education Support Bill 2003.

Comment: there appears to be an error in **Item (1)(1)(k)** which refers to item 4, when it should be item 3.

Part 2 of Schedule 1 contains provisions to ensure that students who are enrolled in postgraduate courses before 1 January 2005 and who have obtained assistance under the Postgraduate Education Loans Scheme will continue to receive such assistance under the current terms of their loans until the end of 2008.

Part 3 of Schedule 1 provides for accumulated HECS debts to be converted into HECS-HELP debts on 1 June 2006.

Parts 4 and 5 of Schedule 1 provide that the University of Notre Dame and Avondale College will continue to receive Commonwealth grants in respect of existing HECS places until the end of 2008.

Comment: under the terms of the Higher Education Support Bill 2003, the University of Notre Dame is a Table B provider and thus can only receive Commonwealth Grant Scheme assistance for places that are allocated in respect of national priorities. Avondale College is not listed in the Bill. However, both institutions currently receive Commonwealth grants for 655 HECS places.

Part 1 of Schedule 2 substitutes new funding levels for 2004 grants in the *Higher Education Funding Act 1988*. These levels reflect normal indexation arrangements as well as other funding adjustments arising from the new funding system.

Parts 4 and 5 of Schedule 2 contain amendments to the *Australian National University Act 1991* and the *Maritime College Act 1978* to change the structure and responsibilities of the governing bodies of these institutions.

Comment: under proposed s.33-15 of the Higher Education Support Bill 2003, providers must satisfy Commonwealth requirements for their governance (to be known as the National Governance Protocols) in order to receive additional funding. These amendments will presumably ensure that the two providers operating under Commonwealth legislation will meet that requirement.

Part 6 of Schedule 2 will amend the *Higher Education Funding Act 1988* to provide Marcus Oldham College with a maximum grant of \$2 095 000 for 2004.

Comment: Marcus Oldham College receives annual payments for student places in agribusiness which will not fit into the new funding framework. This allocation is a one-off payment in lieu of future funding allocations.

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