



Higher Education Legislation Amendment (2005 Measures No.3) Bill 2005

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Higher Education Legislation Amendment (2005 Measures No.3) Bill 2005

Date Introduced: 23 June 2005

House: Senate

Portfolio: Education, Science and Training

Commencement: See Column 2 of the table in s.2 of the Bill for the commencement of individual provisions.

Purpose

To amend the Higher Education Support Act 2003 (the HESA) to improve the accountability arrangements for certain higher education providers and to make a number of technical and other non-controversial changes.

Background

The Commonwealth Government funds higher education through the provisions of the *Higher Education Funding Act 1988* (the HEFA) and the *Higher Education Support Act 2003* (the HESA). The latter Act superseded the former and implemented the Government's higher education reforms announced in the policy statement *Our Universities: Backing Australia's Future* that was part of the 2003-04 Budget.¹

Division 16 of Part 2-1 of the HESA defines higher education providers and establishes a procedure whereby the Minister may approve a body corporate as a higher education provider. There are two listed types of providers: those in Table A (s. 16-15) and those listed in Table B (s.16-20). Table A comprises the public universities and two specialist institutions.² Table A providers can receive grants through the Commonwealth Grant Scheme as provided for by Part 2-2. Table B providers and other providers approved by the Minister can only receive such grants if they relate to national priorities (s.30-1). National priorities are defined as those specified in the Commonwealth Grant Scheme Guidelines (s.30-20). However, Table B providers are also eligible for grants to support research and the training of research students (ss. 41-10). There are currently only three Table B providers: Bond University, the University of Notre Dame and the Melbourne College of Divinity.³

Division 19 of Part 2-1 sets out the quality and accountability requirements for higher education providers. The Bill will insert a provision (proposed s.19-80) that will enable the Minister to require providers (other than Table A providers) to be audited as to their

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compliance with the requirements contained in sub-divisions 19B, 19D, 19E and 19F. These requirements relate to financial viability, fairness in dealing with students, compliance with the Act, and the charging of student contribution amounts and tuition fees.

Presumably, Table A providers have been excluded from this provision because they are statutory bodies which already have extensive reporting and auditing requirements. In addition, Table A basically comprises those institutions which agreed to be come part of the Unified National System in 1989 and which accepted the Commonwealth Government's role in monitoring the sector. Since then they have been providing the Commonwealth with extensive statistical and other information to ensure that Commonwealth policies are administered appropriately. It would be difficult to justify the imposition of another auditing requirement upon the public universities when they have a long history of compliance and accountability with Commonwealth procedures. The non Table A institutions do not have this history and it is not unreasonable for the Commonwealth Government to introduce this auditing requirement to ensure accountability.

Main Provisions

Schedule 4 inserts the auditing requirements for non-Table A higher education providers.

Endnotes

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- 1 Details of the policy statement and implementation can be obtained from the DEST site at <http://www.backingaustraliasfuture.gov.au/>
 - 2 These institutions are 'public' in that they were established under Commonwealth, State or Territory legislation and have been predominantly funded by the Commonwealth since it assumed responsibility for higher education in 1974. The Australian Maritime College and the Batchelor Institute of Indigenous Tertiary Education are the two specialist institutions.
 - 3 There is another Bill currently before Parliament to include Melbourne University Private (MUP) in Table B - the Higher Education Support Amendment (Melbourne University Private) Bill 2005. However, in June the University of Melbourne announced that MUP would cease to be an independent operation and would be merged with the university.

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