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1988

THE PARLIAMENT OF THE  
COMMONWEALTH OF AUSTRALIA

SENATE

States Grants (Tertiary Education Assistance)  
Amendment Bill 1988

EXPLANATORY MEMORANDUM

(circulated by authority of the Minister for  
Employment, Education and Training, the Hon J S Dawkins MP)

THIS MEMORANDUM TAKES ACCOUNT OF THE AMENDMENT MADE BY THE  
HOUSE OF REPRESENTATIVES TO THE BILL AS INTRODUCED

States Grants (Tertiary Education Assistance)  
Amendment Bill 1988

**OUTLINE**

The purpose of this Bill is to amend the States Grants (Tertiary Education Assistance) Act 1987 to adjust for cost movements in tertiary education grants to the States and the Northern Territory and to provide additional funds for superannuation in higher education to cater for the 3% productivity claim and emerging costs for the States. Provision is also made to provide short term assistance to higher education institutions to implement Second Tier National Wage Case decisions pending achievement of productivity gains and for the co-ordination of teaching hospital activities in the Government's drug and alcohol offensive. The Principal Act provides grants to the States and the Northern Territory for universities, advanced education, institutes of tertiary education and technical and further education.

The Bill will adjust recurrent grants from June quarter 1987 prices to end of March quarter 1988 prices for the salary components of the recurrent grants, and to December 1987 price levels for non-salaries, capital and equipment in accordance with the Government's agreed procedures to make retrospective adjustments for cost variations.

The adjustments are provided by way of amendments to the relevant sections of the Act for recurrent grants for promotion of equality of opportunity, special assistance for students, assistance to institutions to meet certain superannuation costs and special research assistance. In the case of other grants, adjustments are provided by way of replacement schedules of grants (see Schedule 1 of the Bill), with a new schedule for the drug and alcohol program.

There are also a number of minor technical amendments. Among these are a condition of grant under the Special Assistance for Students program for non-government teachers colleges to provide statistical and other information consistent with similar grants to other institutions, an offset provision for grants made under the *States Grants (Nurse Education Transfer Assistance) Act 1985* for institutes of tertiary education consistent with the provisions already made for higher education institutions, and in the TAFE sector, provision to enable expenditure after the end of the year on building work undertaken and equipment commitments entered into, prior to the end of the year.

**FINANCIAL IMPACT**

The Bill provides for additional Government expenditure of \$112.8 million, of which \$42.9 million is for cost adjustments, \$23.0 million is for higher education superannuation, \$46.3 million as assistance to implement Second Tier National Wage decisions and \$0.6 million for the drug and alcohol program.

## NOTES ON CLAUSES

- Clause 1 : Short title
- Clause 2 : Commencement: Provides for the legislation, apart from clause 17 to come into operation on the day it receives Royal Assent. Clause 17 relates to a previous Amending Act and is to have effect from the commencement of that Act i.e. 16 December 1987.
- Clause 3 : Promotion of equality of opportunity: This clause amends the amount in the Principal Act to adjust for cost movements.
- Clause 4 : Recurrent grants may be increased to assist institutions in promoting greater participation of Aborigines in higher education: This clause reduces the amount in the Principal Act in line with grants made under the program which are transferred to the recurrent schedules as provided for under Section 12(2) of the Act.
- Clause 5 : Special Assistance for Students: This clause amends the Principal Act to adjust for cost movements and for deductions where Commonwealth institutions have participated in the program with funds provided from relevant Appropriation Acts. An additional condition of grant for non-government teachers colleges requiring provision of statistical and other information is also included, consistent with other institutions.
- Clause 6 : Special research assistance: This clause amends the Principal Act to adjust for cost movements and for deductions where Commonwealth institutions have participated in the program with funds provided from relevant Appropriation Acts.
- Clause 7 : Recurrent grants may be increased to assist institutions in meeting superannuation expenses: This clause provides for additional funds to adjust for cost movements, for the 3% productivity claim and the requirements for emerging cost schemes.
- Clause 8 : Recurrent grants may be increased to assist institutions in meeting Second Tier Wage Case decisions: This clause will provide additional short term funding to higher education institutions which identify a need for assistance pending achievement of productivity gains. It requires the Minister to determine on or before 30 June 1988 any grants to be made to institutions under this clause.

- Clause 9 : Recurrent grants in respect of drug and alcohol education in teaching hospitals: This clause provides as part of the Government's drug offensive funds to enable universities to include a component on drug and alcohol abuse in the curriculum for undergraduate medical studies.
- Clause 10 : Grants for expenditure in connection with the provision of courses of advanced education in institutes of tertiary education: The effect of this clause is to provide an offset for grants made to institutes of tertiary education under the *States Grants (Nurse Education Transfer Assistance) Act 1985* consistent with existing provisions for higher education institutions.
- Clauses 11, 12, 13 & 14 : These clauses amend specific Sections of the Principal Act relating to grants for the TAFE sector to adjust for cost movements. The amendments to clause 13 also provide for funds appropriated for 1988 to be expended after the end of the year both for building work undertaken and equipment commitments entered into prior to the end of the year.
- Clause 15 : Variation of amounts relating to recurrent expenditure for universities and advanced education: This amendment is consequential upon clause 9.
- Clause 16 : Reports by the Minister: This clause is consequential upon clause 8.
- Clause 17 : Substitution of Schedules: This clause provides for the substitution of specified schedules as a result of adjustments for cost movements and variations made under relevant Sections of the Principal Act, and for a new Schedule (4A) for grants in relation to drug and alcohol education in universities.
- Clause 18 : Payments made before Royal Assent: This clause ensures that payments of grants under the Principal Act are not duplicated by payments under the Principal Act as amended.
- Clause 19 : Amendment of States Grants (Tertiary Education Assistance) Amendment Act (No 2) 1987: This clause corrects a mis-numbering of a Schedule contained in the Amendment Act.