

**SENATE EMPLOYMENT, WORKPLACE RELATIONS,
SMALL BUSINESS AND EDUCATION
LEGISLATION COMMITTEE**

Consideration of Provisions

**Innovation and Education Legislation
Amendment Bill 2001**

June 2001

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SENATE EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS AND EDUCATION LEGISLATION COMMITTEE

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Secretariat

John Carter, Secretary

Margaret Blood, Geoff Dawson, Joanna Gaudry, Cheryl Hardiman, Jan Willis

Address

S1.61 Parliament House, CANBERRA ACT 2600

phone 02 6277 3521, fax 02 6277 5706

email: eet.sen@aph.gov.au

website: www.aph.gov.au/senate/committee/eet_ctte

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REPORT

Conduct of the inquiry

1.1 The bill was introduced into the House of Representatives on 5 April 2001. The Senate referred the bill to this Committee on 23 May, on the recommendation of the Selection of Bills Committee.¹ The Committee advertised the inquiry in *The Australian* (Higher Education Supplement) on 30 May and wrote to a number of interest groups soliciting submissions. The Committee received 13 submissions (see APPENDIX 1) and held public hearings on 15 and 25 June (see APPENDIX 2).

The bill

1.2 The bill is an omnibus bill, containing various amendments to the *Higher Education Funding Act 1988*, the *Australian Research Council Act 2000*, and the *States Grants (Primary and Secondary Education Assistance) Act 2000*.

Higher Education

1.3 The bill provides an extra \$102.434 million for higher education in 2002, implementing elements of the Government's Innovation Action Plan which was announced by the Prime Minister in January 2001 under the title *Backing Australia's Ability*.² The elements are:

- \$45.073 million for project specific research infrastructure
- \$25.714 million for systemic research infrastructure
- \$13.046 million for an additional 2,000 undergraduate places targeted in the areas of information and communications technology, mathematics and science
- \$18.601 million for Australian Research Council funded research schemes.

1.4 These provisions were uncontroversial and will not be further considered.

1.5 The bill establishes a Postgraduate Education Loan Scheme (PELS) under which postgraduate students studying by coursework will be entitled to a loan from the Commonwealth to cover course fees. The loan is repaid through the tax system in the same way as a Higher Education Contributions Scheme (HECS) debt (some differences from HECS are mentioned below). The Minister may cap the total level of indebtedness an individual can accrue under HECS, PELS and the Open Learning Deferred Payment Scheme (OLDPS). According to the Government '...PELS is designed to encourage life-long learning and to help Australians upgrade and acquire new skills. It is expected that the loans provided

1 The Hon. D. Kemp, Minister for Education, Training and Youth Affairs, second reading speech, House of Representatives *Hansard*, 5 April 2001, p.26534. Senate *Hansard*, 23 May 2001, p24209ff.

2 The Hon. J. Howard, *Backing Australia's Ability: an innovation action plan for the future*, Commonwealth of Australia 2001

under this scheme will amount to some \$995 million over the next five years and will assist about 240,000 students in their aspirations to undertake further advanced education.³

1.6 The bill has provisions to allow higher education institutions more flexibility in making official communications with students electronically.

School Education

1.7 The bill increases certain funding amounts listed in the *States Grants (Primary and Secondary Education Assistance) Act 2000*. It makes small increases to Commonwealth assistance for non-government school students with disabilities ('to correct an error'). It makes small increases to strategic assistance for government and non-government schools ('to ensure independent and non-systemic Catholic schools are not disadvantaged by the introduction of new arrangements for special education per capita funding').⁴ These changes were uncontroversial and will not be further considered.

1.8 The bill increases amounts appropriated for establishment grants for new non-government schools in 2001-2004 from \$4.726 million to \$14.26 million. The amendment involves no change of policy but merely brings funding in line with current estimates of students in new schools seeking establishment assistance. The per capita entitlement is unchanged (\$500 per student in the first year and \$250 per student in the second year of a new school). The increased funding requirement is based on new information received in October 2000 showing a significant increase in the average size of new schools in 2000 as compared with 1999.

Issues raised in evidence: Postgraduate Education Loans Scheme

1.9 Submissions raised various concerns about PELS. It should be noted that most of the concerns raised are really concerns about the broad policy of deregulation of postgraduate fees - a policy of both this government and the previous one. Submissions did not dispute the fundamental point that, in the present environment of deregulated upfront postgraduate fees, PELS will improve access and equity in postgraduate education.

1.10 The Australian Vice-Chancellors Committee (AVCC) supports the proposed scheme, but has some concerns. Firstly, the AVCC thinks that access to PELS should not be limited to publicly funded universities, but should include the private Bond University.⁵ Secondly, the AVCC argues that the proposed discretion for the Minister to set a cap on individual debt should apply to PELS debt only, not to PELS plus HECS debt, as proposed.⁶ DETYA commented that this would be impractical:

Our advice, in consultation with the Australian Taxation Office, is that that is simply unworkable...Currently, the legislation provides for a single debt for all purposes—repayment purposes, advice purposes and so on. If you created two debts, students would have to identify which debt they were paying off in a

3 The Hon. D. Kemp, Minister for Education, Training and Youth Affairs, second reading speech, House of Representatives *Hansard*, 5 April 2001, p.26534.

4 Innovation and Education Legislation Amendment Bill, Explanatory Memorandum, p.2

5 Submission 5, Australian Vice-Chancellors' Committee, p.1

6 Submission 5, Australian Vice-Chancellors' Committee, p.2

particular payment. You would have to have parallel systems for the two debts, and the advice of the Taxation Office is that it would be far more complicated and expensive to administer the scheme.⁷

1.11 Thirdly, the AVCC foresees problems when a university is unaware of an enrolling student's existing debt incurred at another university. The AVCC recommends that universities should be able to check the debt status of students or at least should be quickly informed when an enrolled student is ineligible for further loans.⁸

1.12 Student associations and the National Tertiary Education Union dislike PELS, for reasons mentioned below. They argued that HECS for postgraduates would be preferable. However they mostly accepted that, in a world of deregulated upfront postgraduate fees, PELS is better than nothing.⁹

1.13 The National Tertiary Education Union stressed the differences between PELS and HECS: PELS applies to the full fee as decided by the institution, rather than to a portion of costs as decided by the Government; and PELS does not attract an upfront discount. On the second point DETYA commented that an upfront discount would be equivalent to a real rate of interest, which is contrary to Government policy.¹⁰

1.14 Some submissions argued that PELS will not remove concerns about equitable access to postgraduate study. The Sydney University Students' Representative Council (SUPRA) argued that the Commonwealth should retain control of what places PELS loans go to, and retain the current provision of HECS-liable postgraduate places.¹¹ The AVCC also would like to see more HECS places available for postgraduate study.¹² On the matter of the balance of postgraduate participation among the different disciplines, the AVCC commented:

We see PELS as one thing that is helpful and useful; we do not see it as actually resolving all the problems that universities face in this area.¹³

1.15 DETYA advised that the Government has no intention of replacing HECS postgraduate places with PELS places.¹⁴

1.16 Several submitters, like the AVCC, argued that the provision for the Minister to cap students' total PELS *plus* HECS debt is a significant change to HECS policy that has not been sufficiently debated. The National Tertiary Education Union said '...there is no evidence to suggest that limiting the quantum of student debt will result in pressure for universities to

7 Mr M.Gallagher & Mr W.Mutton (DETYA), *Hansard*, Canberra, 25 June 2001, p.67

8 Submission 5, Australian Vice-Chancellors' Committee, p.2. Mr C.King (Australian Vice-Chancellors' Committee), *Hansard*, Canberra 15 June 2001, p18

9 For example, submission 3, University of Melbourne Postgraduate Association, p.1; submission 6, Council of Australian Postgraduate Associations, p.5; submission 8, Sydney University Postgraduate Representative Association, p.3; submission 10, National Union of Students, p.2

10 Mr M.Gallagher (DETYA), *Hansard*, Canberra, 25 June 2001, p.66

11 Submission 8, Sydney University Postgraduate Representative Association, p.4

12 Australian Vice-Chancellors' Committee, *Hansard*, Canberra, 15 July 2001, p.10

13 Mr C.King (Australian Vice-Chancellors' Committee), *Hansard*, Canberra 15 June 2001, p11

14 Mr W.Mutton (DETYA), *Hansard*, Canberra 15 June 2001, p.39

lower or cap fees. In a deregulated environment, universities will charge what the market will bear...'¹⁵ Other submissions were concerned that the cap might prevent students from completing their courses.

1.17 As noted above, DETYA's advice from the Tax Office is that to separate HECS and PELS debt would be administratively unworkable. The Minister has said:

I propose to exercise that authority [to set a cap] only if experience indicates a need for a prudent financial limit on student borrowings or for a mechanism to dampen prices being charged.¹⁶

1.18 PELS will cover fees as set by the institution - by contrast with government-regulated HECS payments. Several submissions argued that in a deregulated system the students' easier access to fee money will encourage universities to increase fees.

Because the ability to defer payment may enable students to pay more than they would in an up front system, institutions may be tempted to increase their fees unrealistically.¹⁷

1.19 They recommended that fees rises should be controlled and fees, not debt, should be capped.¹⁸ On the other hand, the AVCC argues that there will still be enough competition on price among universities to prevent this:

There are 37 to 40 institutions competing in these sorts of areas. The prices range considerably for similar sorts of degrees, the same title, because they offer differing approaches to those courses; hence, while you could say that some may take the opportunity to increase the fee because they know students will be able to afford a bit more... there will be others equally seeking to enrol students who would be looking to do the other thing, to undercut and to use the price competition.¹⁹

1.20 On this issue the Minister has said:

Some have suggested that the uncapped nature of the loans will lead to profiteering, with universities moving rapidly to inflate their postgraduate course fees. I don't share that view. I am confident that universities will not want the adverse publicity from a round of fee inflation, and that competition between universities will ensure that fee levels remain reasonable. I have asked my Department to monitor postgraduate fees and to report on these in the annual higher education reports. The relevant legislation will provide me with the power if

15 Submission 9, National Tertiary Education Union, p.3

16 The Hon. D. Kemp, Minister for Education, Training and Youth Affairs, House of Representatives *Hansard*, 5 April 2001, p.26643

17 Submission 3, University of Melbourne Postgraduate Association, p.2. Similarly submission 6, Council of Australian Postgraduate Associations, p.9; submission 7, Postgraduate Board University of New South Wales, p.2

18 Submission 3, University of Melbourne Postgraduate Association, p.2; Submission 2, Adelaide University Postgraduate Association, p. 4; submission 6, Council of Australian Postgraduate Associations, p.12; submission 8, Sydney University Postgraduate Representative Association, p.5; submission 9, National Tertiary Education Union, p.3

19 Mr C.King (Australian Vice-Chancellors' Committee), *Hansard*, Canberra 15 June 2001, p12

necessary to impose a cap on student borrowings, but I trust that responsible behaviour by institutions will not require this power to be exercised.²⁰

Issues raised in evidence: electronic communication with students

1.21 The bill has provisions to allow higher education institutions more flexibility in making official communications with students electronically. A few submissions were concerned about the effect of this provision on students with disabilities, or those without ready access to computers.²¹ They argued that electronic communication should be only with the student's consent. However, the Committee notes that electronic communication from the student is completely voluntary, and compulsory electronic communication to the student applies only where the institution has given the student access to appropriate facilities in accordance with guidelines made by the Minister.²² The Committee is satisfied that this provision answers the concerns.

Issues raised in evidence: establishment grants for non-government schools

1.22 The Australian Education Union (AEU) argued that an amended school funding appropriation should not be embedded in an omnibus bill. The AEU argued that the accountability requirements are not strict enough, and recommended that 'establishment grants, if they are to exist, should be subject to clear, explicit guidelines as to their use and also to separate and rigorous reporting and accountability requirements.' The AEU repeated its general opposition to the Government's policies on school funding.²³

1.23 DETYA stressed that there is no change to the per capita entitlement. The extra appropriation simply ensures that there will be funding available to pay all new schools their entitlement. Estimates of the future entitlement were increased following new information received in October 2000. The new information showed a significant increase in the average size of new schools (though not the number of new schools) in 2000, compared with 1999. At that time DETYA judged that it was better to put the new figures in an amendment bill than to risk delaying the States Grants (Primary and Secondary Education Assistance) Bill 2000 which was already part way through the Parliament.²⁴

1.24 DETYA described the accountability arrangements for establishment grants. The grants must be used for recurrent purposes, and the expenditure must be acquitted. DETYA has various criteria for checking that applicants are *bona fide* new schools.²⁵

20 The Hon. D. Kemp, Minister for Education, Training and Youth Affairs, speech to Group of Eight Policy Forum, 16 February 2001, p.6

21 Submission 6, Council of Australian Postgraduate Associations, p.13; submission 7, Postgraduate Board University of New South Wales, p.3

22 Innovation and Education Legislation Amendment Bill 2001, schedule 5, section 56C & 56E

23 Submission 12, Australian Education Union. Mr D.Fitzgerald, *Hansard*, Canberra 15 June 2001, p.2

24 Mr C.Evans & Ms A.Andruska (Department of Education, Training and Youth Affairs), *Hansard*, Canberra 15 June 2001, p.34,42. The per capita establishment grant entitlement is not in the *States Grants (Primary and Secondary Education Assistance) Act 2000* but rather is for the Minister to determine. DETYA's estimates are based on \$500 per student in the first year and \$250 per student in the second year of a new school.

25 Ms A.Andruska (Department of Education, Training and Youth Affairs), *Hansard*, Canberra 15 June 2001, p.36,38

Conclusions

Postgraduate Education Loans Scheme

1.25 The Committee notes the concerns raised in submissions about the Postgraduate Education Loans Scheme. Most of the concerns of student associations are really concerns about the broad policy of deregulation of postgraduate fees - a policy of both this government and the previous one. In the Committee's view PELS will improve access and equity in postgraduate education. Arguably any tendency for universities to raise fees excessively could be controlled by the proposed Minister's discretion to cap debt, and by the present provisions of the *Higher Education Funding Act 1988* allowing the Minister to determine operating grants based on an educational profile subject to consultation with DETYA.

Establishment grants for non-government schools

1.26 The policy questions surrounding establishment grants for non-government schools were debated during the consideration of the States Grants (Primary and Secondary Education Assistance) Bill 2000 - a bill which was passed with bipartisan support.²⁶ The amended appropriation involves no new policy. It simply reflects updated estimates of the likely numbers of students in new schools. There is no change to the per capita entitlement. The extra appropriation simply ensures that there will be funding available to pay all new schools their entitlement.

Recommendation

The Committee recommends that the bill should be passed.

Senator John Tierney

Chair

26 Senate *Hansard*, 7 December 2000, p.21053

MINORITY REPORT BY LABOR SENATORS

1. INTRODUCTION

The Australian public has the right to expect that, in planning and framing legislation, its Government acts with integrity. With the *Innovation and Education Legislation Amendment Bill 2001* the Government has sought to tie together in the one package, for the first time in a generation, omnibus legislation relating to higher education and research, on the one hand, and on the other a series of amendments to school funding provisions, contained in the *States Grants (Primary and Secondary Education Assistance) Act 2000*.

Far from a simple question of legislative efficiency, this tactic points to an ulterior motive. Either it was designed to hide the clauses - one of which was potentially controversial - on schools' funding, or else its purpose was to place the Opposition parties in the invidious position of having to acquiesce to the schools clauses in order to secure the increases to research funding that the Bill contains. Whichever is true, the Government is open to the charge that it has misused parliamentary processes in order to reduce the transparency of this piece of legislation.

At the outset, Labor Senators insist that, in order to demonstrate good faith, the Government must divide this Bill. The Parliament must be accorded the opportunity to debate and consider the higher education and research provisions of the Bill separately from the entirely unrelated schools clauses. If the Government does not accede to this procedural recommendation, it will face the charge that, in this instance, it does not accord high priority to the health either of the Parliament or of the education sector.

Labor Senators wish to comment on the lack of a written submission to the current Inquiry from the Department of Education, Training and Youth Affairs. This absence is possibly unprecedented. The Department did not bother to make a submission nor provided a justification for such a decision, adverting simply to the existence of a ministerial second reading speech and the explanatory memorandum to the Bill.²⁷ The Government's contempt for those who made submissions, including the Australian Vice-Chancellors' Committee and a number of student unions, is apparent.

Labor Senators also note the failure of the Department to provide relevant information to assist the Committee in its deliberation. Despite being questioned in the Senate Estimates hearings on 7th June, as well as the hearings into this legislation on both 15th and 25th June, many questions were taken on notice and remain to be answered.

It is absurd to claim, as DETYA officials did,²⁸ that the detailed concerns raised in such submissions could be dealt with adequately by a few lines in a second reading speech or explanatory memoranda, documents which in any case predate submissions to this Inquiry. Labor Senators were obliged to move in the Senate a second hearing and an extension of reporting time so that the issues could be considered adequately.

27 Mr Evans, DETYA, EWRSBE 15/06/01, p.40

28 Mr C.Evans (DETYA), *Hansard*, Canberra 15 June, p.41

Reference has also been made by the Department to conversations that had taken place at a recent Senate Estimates hearing. None of these factors, in the opinion of Labor Senators, marks this Bill out from many other Bills: all Bills are the subject of second reading speeches and explanatory memoranda, and many are discussed in the context of Senate Estimates. It seems more likely that the Department has belatedly recognised some, at least, of the deep difficulties which are features of the Government's position and record in some important areas for the Inquiry, particularly on the question of school establishment grants. This may provide a partial explanation for its decision to avoid making a formal written submission.

Labor Senators draw attention to the problems faced by Opposition Senators in preparing to participate in this Inquiry in the absence of a submission from the Government.

Two issues have been identified in the context of the current Inquiry as of major concern, both to those who made submissions and also to Labor Senators. They are, first, the large increases in funding that the Government wishes to appropriate for non-government schools' establishment grants, and, second, certain aspects of the proposed postgraduate student loan scheme, known as PELS (Postgraduate Educational Loans Scheme). These issues are discussed below. Initially, however, the questions of the timing and alleged urgency of the bill are dealt with.

Recommendation:

That the Bill be split three ways, with the Postgraduate Education Loans Scheme proposals, the increased funding for universities and the Australian Research Council and the amendments to the States Grants (Primary and Secondary Education Assistance) Bill 2000 all considered separately.

2. TIMING ISSUES

As noted, the Government asserts that this Bill must be passed as a matter of urgency. The Committee has heard evidence from Mr Gallagher of the Department's higher education division, to the effect that delay in passage of the Bill would cause "a loss of momentum and time" in the Government's plans to improve Australia's international competitiveness in research and development.²⁹ The officer also states [p.50] that a delay would cause difficulties in the finalisation of allocations of the 2,000 additional higher education undergraduate places which the Bill includes. Furthermore, he informs the Committee, any delay in passage of the Bill would cause serious problems for the preparation necessary on the part of the Department and of universities for the new postgraduate loans scheme that the Bill also contains. This scheme is due to be implemented from the beginning of 2002.

In the view of Labor Senators, however, these problems do not appear insurmountable. First, the Bill's financial measures affecting research and development provide funding that is concentrated in later years: of \$2.9 billion in total funds announced in the Government's innovation plan, only \$159 million, or 5.5% of the total projected funds, is to be appropriated in the current financial year. The administrative problems connected with the extra university places for 2002 do not necessitate passage of the Bill before September, at the earliest, and,

29 Hansard, EWRSBE 25/06/01 p.50

while there may be difficulties – particularly relating to computer systems - in setting in place the PELS scheme, should a lengthy delay occur, the Department implies that these are not an absolute impediment to a 2002 start.³⁰

The problems that exist in the implementation of the establishment grants program for non-government schools are entirely of the Government's own making. First, the Department was well aware, as early as October 2000, that the funds appropriated in the 2000 *States Grants Act* for these grants were significantly inadequate: this was admitted by DETYA officer, Ms Aurora Andruska, in evidence before the Committee.³¹ Although the Department's representatives had informed the Committee at the first hearing on this matter that the Minister was not made aware of this situation,³² it has subsequently come to light that in fact the Minister was aware by late October 2000 that the establishment funds were insufficient. Nevertheless, the Government did not amend the 2000 Bill, despite the fact that it had ample opportunity to do so. Instead, it was decided to introduce new legislation, amending the Bill in this regard, in 2001.

In addition, the shortfall in the establishment grants funds was due in large part to a substantial increase in the average enrolment numbers of new non-government schools. This point was made by the Department in the course of the June 2001 Senate Estimates hearing, where it was revealed that the abnormally large size of three new schools had increased the average from 42 students in 1999 to 92 per school in 2000. It is important to note that, apparently, no investigation of the credentials and particulars of these abnormally large new schools was made by the Department (see next section). The resulting escalation in the establishment grant allocations apparently implied by this unexpected turn of events led to the need for significant revision of the amounts now sought in the current legislative context.

Nevertheless, the Department, it appears, went ahead, paying out grants to eligible schools, well aware that the funds allocated under the program would run out by October 2001, and that full payment of monies owing to schools could not be made. The timing of the initial payments to schools, and the amounts paid to each, took no account of the possibility that increased funds would not be available – due to delay in the passage of the legislation, or even to its rejection by the Parliament. This approach and conduct might be regarded as reckless, or even contemptuous of the Parliament, and the Minister's knowledge of it reinforces his responsibility for the current situation.

The Department has admitted that the funds allocated for this program in the original Bill in 2000 failed to take account of the schools applying for registration after the announcement of the new funding package on 11 May, 1999 – in 1999 and 2000. This is inexplicable, unless it is assumed that the decision to provide establishment grants on a backdated basis was also made subsequent to the drafting of the Bill – ie after 29 June, 2000. The extraordinarily large increase, of over 300%, sought in the current Bill for the year 2001, is otherwise difficult to rationalise, let alone to justify.

Labor Senators, while recognising the problems that would be faced by schools eligible for, and expecting, establishment grants if the Bill were to be delayed, believes that these

30 See the evidence of Mr Mutton, 25/06/01, p.50

31 EWRSBE 15/06/01, p.43

32 EWRSBE, 15/06/01, pp.42-43

problems are solely due to the Government's and the Department's poor management of this program and associated policy. What we are now seeing is a government seeking to conceal its own mistakes as well as those of the Department. We are now expected to pass this legislation without adequate scrutiny. While sympathising with affected schools, Labor Senators believe that the Government itself must act to rectify the problems it has created, rather than calling upon the Parliament to provide exponentially increased allocations in the absence of a detailed examination of the circumstances and actions leading to the situation with which it is faced.

If the Government wishes to expedite the passage of its legislation, whether pertaining to the schools sector or to higher education and research, it should act immediately to separate the different classes of matters with which it deals. It should also give serious consideration to the amendments to be proposed by the Opposition, and described below.

3. POSTGRADUATE EDUCATION LOAN SCHEME

Submissions raised reasonable concerns about PELS that the Government has not adequately answered. Some concerns are -

- that PELS may relatively advantage the most prestigious universities, since they charge the highest fees;
- that PELS may relatively advantage the most expensive courses such as business courses - yet these courses least deserve the public subsidy implicit in interest-free loans;
- that the greater liquidity of prospective students may encourage universities to raise fees;
- that PELS is the thin end of the wedge foreshadowing similar arrangements in undergraduate education;
- that the proposed Minister's discretion to cap combined PELS *plus* HECS debt is a significant change to HECS policy that has not been sufficiently debated.

Concerns on these points (or some of them) are held not only by student associations but also by the Australian Vice Chancellors Committee and independent experts.³³

On the other hand, it is arguable that, given the present environment of deregulated upfront postgraduate fees and the severe reduction in HECS-liable postgraduate coursework places implemented by this Government, PELS is better than nothing in improving access to postgraduate education.

Labor believes that a loan scheme has the potential to help students who would otherwise miss out on postgraduate study because of their inability to pay upfront fees, and we are prepared to support it in principle. Nevertheless we recognise in this proposal seeds of the

33 Submission 5, Australian Vice Chancellors Committee. Prof. B.Chapman, submission 217 to Senate EWRSE References Committee Higher Education inquiry, p.14. Prof. J.Quiggin, submission 49 to Senate EWRSE References Committee Higher Education inquiry, p.36.

Government's preferred scenario of full deregulation, and emphasise that the Labor Party opposes the deregulation of undergraduate university fees and the imposition of real-interest loans.

On balance, the Opposition is not inclined to oppose the introduction of PELS. However the Opposition intends to scrutinize closely the effects of PELS in regard to the points mentioned above. The Opposition agrees with the suggestion that the effects of PELS should be kept under formal review.³⁴

On the matter of the proposed discretion for the Minister to cap a student's combined PELS plus HECS debt, Opposition Senators agree with the AVCC that this is a significant change to HECS policy that has not been sufficiently debated.³⁵ According to the Minister, the purpose of the provision is to give the Minister discretion to act if there is 'a need for a prudent financial limit on student borrowings or for a mechanism to dampen prices being charged.'³⁶

Opposition Senators do not accept this argument. A cap on HECS debt is obviously irrelevant to dampening postgraduate fees.

A cap on total debt would be least likely to limit the opportunities of richer students who have been able to pay HECS in advance, and most likely to limit the opportunities of poorer students who start postgraduate studies with a HECS debt on the books. With the introduction by this Government in 1996 of three bands of HECS charges, the size of a graduate's debt is significantly influenced by their choice of courses. To seek then to limit that person's access to postgraduate study on the basis of their HECS debt is inequitable. Opposition Senators recommend that the cap should apply only to PELS debt.

Recommendations

1. The Bill should be amended to require a review of PELS after twelve months of operation, to examine its effect on fee levels and on participation in postgraduate coursework, with particular reference to women, indigenous Australians, people from low SES and non-English speaking backgrounds and people from rural and regional Australia.

2. The Minister's discretion to cap debt should apply to PELS debt only.

4. ESTABLISHMENT GRANTS FOR SCHOOLS

This section of the Bill amends the provisions of the States Grants(Primary and Secondary Education Assistance) Act 2000, insofar as that Act provided financial provision for establishment grants for new non-government schools. Specifically Schedule 2, part 1 repeals

34 Submission 9, National Tertiary Education Union, p.4

35 Submission 5, Australian Vice Chancellors Committee, p.2

36 The Hon. D. Kemp, Minister for Education, Training and Youth Affairs, House of Representatives *Hansard*, 5 April 2001, p.26643

the grants for establishment assistance in Schedule 7 of the 2000 Act and replaces them with increased amounts of funding.

In less than six months this provision of the States Grants Act has been rendered obsolete, although as this report highlights, it was known to be obsolete prior to the passing of that Act in December 2000 but submitted to Parliament nevertheless.

The proposed increases to the establishment assistance grants are substantial. For example, the original allocation for establishment grants for 2001 was \$859,000: it is now proposed to increase this figure to \$3,693,000, an increase of \$2,834,000 or 330%. At \$3,390,000 or approximately 264% the equivalent increase for 2002 is only marginally smaller. The proposed increases for 2003 and 2004 reflect anticipated increases exceeding 125%.

Two explanations have been advanced by the Government to explain the need for these revisions. Firstly, the figures for 2001 and 2002 include a 'catch up' provision for a limited number of new schools established after May 1999 that otherwise would not have received the assistance more recently established schools will attract. This is represented as an equity issue.

Secondly, the Government argues that these substantial increases are due to a significant rise in the average size of the schools qualifying for grants during 2000 and the consequent increase in the number of students at new schools. While the number of new schools has remained generally static over recent years, the Government's argument depends on its claim that during 2000 the average size of such new schools increased from c.42 to c.92.

In particular, three new schools with 847, 338 and 197 students, or a total of 1382 new enrolments, are cited as conclusive evidence of this increase in enrolments. However, it is appears that some schools which have played a key role in causing the increase in the cost of the establishment grants program were not entitled to be paid those grants.

For example, the Australian Islamic College at Kewdale in Perth was registered in 2000 with 837 students. It appears that this school, while legitimately registered, is in fact one of a number of campuses of an existing school, making it ineligible, under DETYA's own guidelines, for an establishment grant.

The Christian College Institute for Secondary Education at Highton in Victoria is a second example. The school applied in 1999 to receive funding in 2000. It opened with 338 students.

Another school with a similar name, Christian College Highton, which shares the same registered place of business, "lost" 295 secondary students at the same time.

The two schools share a common place of business, the lists of directors are almost identical and they share a common company secretary and auditor. Similarly, Christian College Institute for Secondary Education is registered to provide VET in schools programs and it's registered address is at its associate school, Christian College Highton.

The guidelines for the establishment grant program prohibit grants being made available to new campuses of existing schools. The fact that this school was registered separately again proved the trigger for the Commonwealth's provision of funds. However, it appears that even the most rudimentary of checks were ignored.

At the very least a *prima facie* case exists that these grants breach the Department's own guidelines.

Labor Senators stress that they have no argument with these schools, but rather with DETYA's practice of automatically paying establishment grants to schools which apparently meet the guidelines without first conducting appropriate enquiries.

Above and beyond the Department's apparent poor administration of the establishment grants program is the broader issue of the Government's seeking to provide more funding for non-government schools with, yet again, no corresponding increase for public education. Labor Senators call attention to the fact that significant needs exist in the government school sector and strongly oppose the Government's attempt to discriminate in this Bill against public schools, which educate almost seventy per cent of students.

Recommendation:

That an additional \$30 million be appropriated for expenditure on capital projects by government schools. This would be a proportionate increase, based on sector enrolments, to match the \$13 million provided by this legislation for non-government schools.

Senator Kim Carr (Deputy Chair)

Senator Jacinta Collins

AUSTRALIAN DEMOCRATS' DISSENTING REPORT

1. Introduction

The Democrats believe the *Innovation and Education Legislation Amendment Bill 2001* Bill should not be passed in its current form. Thus, we dissent from the Chair's report.

2. The Bill

The *Innovation and Education Legislation Amendment Bill 2001* is an omnibus bill which amends the *Australian Research Council Act 2000*, *Higher Education Funding Act 1988* and the *States Grants (Primary and Secondary Assistance) Act 2000* .

It implements a number of changes announced in the Government's Innovation Statement - *Backing Australia's Ability*:

- additional funding to the ARC,
- additional research infrastructure funding,
- 2000 new undergraduate places for IT, science and mathematics, and
- implements the Postgraduate Education Loans Scheme (PELS).

In addition, the Bill adjusts increases funding to non-government school students with disabilities and appropriates an additional \$10 million to reflect a significant increase in the average size of new non-government schools in 2000.

As the Chair's report points out, most of these measures are relatively non-controversial and will not be opposed by the Democrats. However, two measures - PELS and the increased appropriation for new schools - are not supported by the Democrats in their current form, accordingly we support splitting the Bill three ways.

3. Postgraduate Education Loans Scheme

The Postgraduate Education Loans Scheme (PELS) has been established in response to market failure in domestic postgraduate coursework - a failure bought about by poor government policy and the removal of a substantial number of funded places for postgraduate coursework students.

The key characteristics of this failure are:

- evidence that the high cost of fees and removal of HECS places are barriers to participation in postgraduate coursework from equity groups,³⁷
- declining enrolments from domestic postgraduate students (down more than 12% between 1997 - 2000), and
- alarming drops in enrolments in particular disciplines, notably science, education and agriculture.³⁸

PELS represents an interesting challenge to legislators. In its own terms it is quite a clever proposal that will enable some students who are currently unable to access postgraduate courses the opportunity to do so. Hence, the response of the NTEU that

we do not seek to oppose legislation that will offer relief to thousands of students currently paying up-front fees for postgraduate coursework, if this is the only relief or support for lifelong learning that the Government is willing to provide.³⁹

However, the Democrats are obliged to look at the broader policy context and as CAPA pointed out:

At the most basic level, PELS misses the point. The crisis in postgraduate coursework education is *not* primarily a function of student liquidity; it is a function of a deregulated, market based fee regime ... a loans scheme which does nothing to address this problem - indeed, which further entrenches the principle that students should bear the full cost of education - suffers a fundamental flaw.⁴⁰

Notwithstanding the tenor of most submissions that PELS is ‘better than nothing’, the Democrats will oppose its implementation in the current policy and funding mix.

Recommendation: That the Postgraduate Education Loans Scheme (PELS) not proceed in the current policy and funding mix.

3.2 Deregulation and marketisation of postgraduate coursework

As the Chair’s report points out, deregulation of postgraduate fees is “a policy of both this Government and the previous one (1.9)”. This is hardly a commendation - bad policy is bad policy irrespective of whether it has bi-partisan support.

The market became the organising principle in postgraduate education after the ALP introduced fees in 1988 and progressively relaxed the rules so that fees were largely deregulated by 1994. The current Government’s cuts to higher education, announced in the

³⁷ Adelaide University Postgraduate Students’ Association, *Submission No. 1*, p. 2, Anderson et al, *The Effects Of The Introduction of Fee-paying Postgraduate Courses On Access For Designated Groups*, HEC, NBEET, May 1997, p. 69.

³⁸ NTEU, *Submission No. 9*, p. 1. Smith and Frankland, *Marketisation And The New Quality Agenda: Postgraduate Coursework At The Crossroads*, *Australian Universities Review*, Vol. 43, No. 2, December 2000.

³⁹ NTEU, *Submission No. 9*, p. 1

⁴⁰ CAPA, *Submission No. 6*, p. 5 (emphasis in original)

1996 budget, have substantially accelerated deregulation because they removed 25,000 funded places.⁴¹

The Democrats are opposed to the marketisation of education in principle and believe the sorry state of postgraduate coursework is a salutary reminder of the limitations and distortions of marketisation.

Our primary concerns with PELS are;

- It is premised on postgraduate education being solely a private benefit for the student (notwithstanding the public subsidy to students - but not institutions - of an interest-free loan⁴²),
- it avoids the real problem of insufficient funded places, and
- it cannot overcome the substantial cost differentials between disciplines.

3.3 Private Benefit

As pointed out in a number of submissions, PELS is conceptually quite different from HECS.⁴³ While both are income contingent loans, HECS is also a private contribution to a publicly funded place - which explicitly recognizes that there is a considerable public benefit from higher education. PELS, on the other hand, simply advances the full cost of tuition and thus assumes a private benefit only.

Full fees, in conjunction with a substantial drop of HECS places, has led to declining numbers of students in disciplines with little or no private benefit. The Democrats believe that students in such disciplines are not likely to enrol just because they can get a loan.

Thus, a real problem, falling enrolments in disciplines where there is considerable public benefit but no necessary private benefit (including education, nursing and science), remains unaddressed by PELS.

As Mr Connor King noted:

The broader issue of whether or not we need more people in some of these courses, and need a lower-fee or a HECS based system for them, is one where we agree that we do need a better mix of HECS and fee paying in a range of these postgraduate areas ... that broad policy position is one we have argued. It is not one, at this stage, that the Government has chosen to address...⁴⁴

The Democrats believe that PELS should only be considered in the context of addressing the broader policy position and the Government's failure to do so plays a significant part in our rejection of PELS.

⁴¹ Smith and Frankland, *op cit*, p. 8

⁴² On this see Bruce Chapman, *Submission No. 217*, Senate Inquiry into the Capacity of Public Universities to Meet Australia's Higher Education Needs

⁴³ NTEU, *Submission No. 9*, p. 2, Mr Connor King, *Committee Hansard*, Friday 15th of June, p. 18

⁴⁴ Mr Connor King, *Committee Hansard*, Friday 15th of June, 2001, p. 11

3.4 Insufficient places

Evidence was tabled before the committee, which showed that nearly 5,000 fully funded notional postgraduate coursework places were used by universities to meet undergraduate demand in 2000.⁴⁵ While universities are entitled to set their own priorities, the Democrats note evidence that insufficient places due to coalition cuts are causing particular problems in the postgraduate coursework area.

As Mr King from the AV-CC pointed out:

as a basic policy position the AVCC would like to have more places available on a HECS basis for these postgraduate coursework students. ... We agree that there is a squeeze there⁴⁶

The Democrats note that universities are still required to offer a HECS place for initial vocational entry qualifications in education and nursing. However, there is a serious anomaly whereby an increasing number of vocations including psychology, social welfare, museum studies and librarianship are requiring a postgraduate qualification for initial vocational entry. ‘Credentialism’ combined with inadequate HECS places raises major access concerns with or without a loan.

3.5 Cost differentials

The relative funding model (RFM) explicitly acknowledges that disciplines have different delivery costs (although whether the RFM relativities actually hold is another matter).

Differential HECS works on a similar basis although the inclusion of law in the top band is predicated on potential private benefit.

The Democrats are concerned that as PELS does not and cannot take cost of delivery into account as it simply relies on markets. This will create enormous problems in high cost areas with high industry and/or public benefit but comparatively low private benefit, for example, engineering and science.

In 1998, the Government announced that from 2000, fee-paying postgraduate students could not be counted in the quantum of fully funded places and the department informed the committee that universities are expected to offer courses on a full cost recovery basis.⁴⁷ Thus, ending previous arrangements that allowed cross-subsidy.

The Democrats believe that if it was the case that there was only a private benefit then the concern to eliminate cross-subsidies would have some force. However, we are concerned that without public investment into high cost areas such as science by permitting cross-subsidies, increasing provision of funded places and/or supplementation for PELS places in high cost and/or high public good areas then students in key strategic areas will be discriminated against.

⁴⁵ Mr Connor King, *Committee Hansard*, Friday 15th of June, p. 10

⁴⁶ Mr Connor King, *Committee Hansard*, Friday 15th of June, p. 10

⁴⁷ Mr Michael Gallagher, *Committee Hansard*, Monday 25 June 2001, p. 65

The Democrats believe the fact that within the same Bill there is a measure to address the skills shortage in science at undergraduate level but a measure that will make science remain unattractive for postgraduates is indicative of how inappropriate the very poor policy environment that this Government has created has become.

This reflects significant incoherence in the Government's approach to innovation.

Accordingly, the Democrats recommend that PELS only be considered when the impact of cost relativities on fees are addressed.

3.6 Additional issues

There were a range of issues raised in the course of the inquiry which are addressed here.

3.6.1 Capping the Debt

Schedule 4 of the Bill makes provision for a Minister to set a cap on total student debt from HECS, OLDPS and PELS. Students will not be limited in the number of courses they undertake but may be limited in the total amount they can borrow. Any determinations on the cap on debt will be a disallowable instrument.

A number of submitters pointed to potential problems with the cap including students being stuck with "7/8 of a Masters by coursework without access to the means to complete"⁴⁸. A cap may also unduly restrict students in high cost programs such as science and health science, particularly as they may begin postgraduate education with a higher debt due to differential HECS. Such arguments presuppose that the figure set for the cap on debt will be unrealistically low - which goes against the policy intent of increasing access.

The Democrats acknowledge the concerns that PELS may lead to fee increases but do not believe there is any necessary connection between levels of fees and a cap. We also note that any cap will be a disallowable instrument and that the Minister has indicated that he has no intention of implementing a cap at this stage. As PELS will be both a public subsidy of students and a public outlay - despite the curious handling of it in the forward estimates - the Democrats believe it is not unreasonable for the Commonwealth to have the capacity in the future to specify a realistic ceiling on PELS debt. Accordingly, the Democrats do not believe there is warrant to remove this potential capability from the Bill.

3.6.2 Capping Fees

A concern raised by a number of submissions is the introduction of PELS is effectively a licence for universities to increase fees.⁴⁹ While we agree that PELS is likely to increase fees, we believe there are significant problems with setting an appropriate capping mechanism. Such a cap may lock in various anomalies and may result in cash strapped universities cutting the content and contact hours of courses to reduce cost. This would result in a further decline of standards.

⁴⁸ CAPA, *Submission No. 6*, p. 8

⁴⁹ CAPA, *Submission No. 6*, p. 7

While very sympathetic to the concerns articulated by student groups, the Democrats argue that the provision of additional HECS places is the preferable way to address this concern.

Accordingly, the Democrats do not support a cap on fees.

3.6.3 Splitting HECS and PELS debt

The committee heard evidence that the proposal to allow a Minister the capacity to cap student debt represented an important change to HECS policy that had not been discussed or justified. HECS is not capped thus this Bill changes the concept of student debt.⁵⁰

The department argued that splitting the PELS debt is unworkable for a reasonable cost.⁵¹ The Democrats acknowledge that splitting the debt is administratively problematic because it is proposed that student debt will be aggregated by the ATO and the ATO will have no way of differentiating which is HECS and which is PELS. Also, there are issues as to how automatic repayments are to be handled - do they go to HECS or to PELS if debt split? At the very least, it means ATO will have to implement a dual accounting system of some description.

One rationale for splitting HECS/PELS is that because the Bill allows the Minister to place a cap on debt, students may find themselves cut off from access particularly if they are in expensive areas with a high differential HECS debt (eg science and medicine). The Democrats are not convinced by this argument as if and when a Minister introduces a cap, it is unlikely to be too low because that goes against the policy intent of increasing participation. Also, we note that any cap is a disallowable instrument.

Concern was raised that PELS will serve as a model for further deregulation of fees for domestic undergraduate students.⁵² To that extent, aggregating the handling of HECS and PELS together sets in place administrative arrangements to enable a Government with an ideological commitment to 'user pays' to replace HECS with PELS. As the NUS point out, there is already a precedent for this as one of this years' budget measures was to effectively introduced PELS for overseas trained professionals enrolled in bridging programs to meet Australia's recognition requirements.⁵³

While there is a substantial difference between administrative arrangements for handling HECS and PELS debt and legislation to dismantle HECS the Democrats do believe that on balance there is a very good case for quarantining HECS. Accordingly, the Democrats take a principled position on this issue and support the splitting of HECS and PELS.

3.6.4 Access by Universities to list of students who have been issued a 'loan limit notice'

The AV-CC argued that universities should be able to check the debt status of prospective students or be quickly informed if a student is ineligible for further loans.⁵⁴ The

⁵⁰ AV-CC, *Submission No. 5*, p. 2

⁵¹ Mr Mutton, *Committee Hansard*, Monday, 25 June 2001, p. 67

⁵² NUS, *Submission No. 10*, p. 7, University of Sydney Student's Representative Council, *Submission No. 4*, p. 4

⁵³ NUS, *Submission No. 10*, p. 7

⁵⁴ AV-CC, *Submission No. 5*, p. 1

rationale of this was to avoid situations whereby universities are forced to exclude a student after a month or two if the ATO advises the university that the student cannot, in fact, access PELS if they have reached the cap level.⁵⁵

While the Democrats acknowledge the concern of the AV-CC in this matter we believe such a proposal has important privacy considerations - a problem, to be fair, that the AV-CC acknowledged. Accordingly, the Democrats do not support any amendment that will give affect to such an intent.

3.6.5 Eligibility of Institutions

The AV-CC recommended that Bond University be made eligible for PELS. As PELS represents a significant public subsidy to students - though not institutions - the Democrats do not support expanding PELS to private universities. As the AV-CC pointed out, this does leave an anomalous situation whereby students at other institutions including Australia's other private University, Notre Dame, are able to access PELS but Bond is not.⁵⁶

The Democrats believe it was an inappropriate decision to place Notre Dame on List A of the HEFA in 1998. While there are good reasons for them receiving some funded places for teacher training in the Kimberley, Notre Dame should only be on List B.

The Democrats believe that it is not good policy to use a poor decision as precedent for another poor decision. Accordingly, we do not support students at Bond University accessing PELS. Moreover we flag our intent to revisit the status of private universities on the HEFA lists.

4. Schools

The Democrats opposed the Schools Grants Bill last year for the same reason we are opposing more money for establishment grants to new private schools – the ideological commitment to markets in education is poor policy with major equity and social justice concerns.

The Democrats are strongly committed to ensuring adequate resourcing of the public school system. Accordingly, we remain strongly opposed to inequitable grants to non-government schools, particularly wealthy non-government schools, while public schools remain chronically under-funded.

The Democrats are opposed to establishment grants for non-government schools. It is not appropriate to allocate scarce public resources to the establishment of new non-government schools, when they have not been considered in the context of viability or need. New non-government schools will therefore not necessarily be targeted at those areas of greatest need.

In addition to the increasingly lop-sided balance of support between government and non-government schools, the Democrats are most concerned that automatic establishment payments to new non-government schools have far from adequate accountability requirements.

⁵⁵ Mr Connor King, *Committee Hansard*, Friday June 15, 2001, p. 18

⁵⁶ AV-CC, *Submission No. 5*, p. 1

The committee was informed that there are:

No requirements along the lines of minimum enrolment size. There is no explicit or special accountability or reporting requirements attached to that; in fact, the funds do not even have to be accounted for separately. It is, in fact, a rather profligate use and an unaccountable use of the public's money – not the federal government's money.⁵⁷

The Democrats believe it is unacceptable that criteria could be so sloppy as to potentially allow establishment grants being used for marketing, advertising or even corporate ventures. Indeed, the Department confirmed that advertising is a permissible expenditure.⁵⁸

In addition, we believe the inadequacy of the criteria could lead to the proliferation of poorly planned schools that are not economically viable. This is a poor allocation of scarce resources.

Moreover, we are concerned that the lack of any cap on the per capita grants of \$500 in the first year and \$250 in the second, together with the lack of stringent accountability mechanisms means that establishment grants could be readily manipulable to maximise the benefit.

As the Department advised the committee there is nothing to stop a school from selling off the school buildings and the site and moving to another site with a new registration number and same students.⁵⁹

The circumstances of the establishment grants for Christian College, Highton (VIC), St Gabriels (QLD) and the Australian Islamic College in WA were discussed at some length.⁶⁰ In the case of Christian College, there are very reasonable questions that require an answer as to how legitimate the establishment grant was, given it was operating at the same address with the same board of directors as an existing school.⁶¹

While the Democrats do not claim there is necessarily anything untoward in each case the Democrats note with some concern that the Department were unable to satisfy the committee that there were no breaches of the criteria. It is important to note that two of the schools were explicitly discussed at the earlier hearing in the context of their unexpectedly high enrolment figure for a new school – which, after all, was apparently the major driver in the need for the extra appropriation in this Bill. It does not seem unreasonable to expect that the Department would have been on top of the detail, particularly for the second hearing.

This goes to the point about inadequate accountability mechanisms. Our concern is not just sloppy criteria but also the degree of analysis brought to bear on evaluating the legitimacy of the claims for automatic payment of establishment grants.

⁵⁷ Mr Denis Fitzgerald, *Committee Hansard*, Friday 15 June, 2001, p. 2

⁵⁸ Mr Evans, *Committee Hansard*, Friday 15 June 2001, p. 39

⁵⁹ Ms Andruska, *Committee Hansard*, Friday 15th of June, 2001, p. 36.

⁶⁰ *Committee Hansard*, June 15 2001, pp. 35 – 7, *Committee Hansard*, 22 June 2001, pp. 58 - 61

⁶¹ *Committee Hansard*, 22 June 2001, pp. 59 - 60

The Democrats will continue to oppose the disproportionate allocation of resources to non-government schools and will support all measures that provide a better balance between the sectors bearing in mind the Commonwealth's prime responsibility to ensure accessible, high quality public education.

5. ARC, Infrastructure, New Places and disability funding

The Chair's report identified these measures as non-controversial and the Democrats will support their implementation. We would, however, like to place on record the following observations.

5.1 Additional Funding to the ARC

In *Backing Australia's Ability*, the Government announced an increase of \$2.9 billion for R&D and Innovation. While the decision to increase investment was welcome it needs to be emphasized that this simply slows down Australia's decline in R&D investment relative to other OECD countries. Moreover, only \$159 million of this increase will actually be made available in 2002. The massive 'back-ending' of the increase is a major disappointment and does not sit well with the Government's rhetoric on investing in Australia's future prosperity.

One initiative of *Backing Australia's Ability* that was widely welcomed was the decision to double the funding of the ARC over five years. This Bill introduces the first stage of the increase - \$18.6 million in 2002. The Democrats believe that it is imperative for the proposed increases to be bought forward to better reflect the realities and urgent needs of Australia's researchers and our research capability. Accordingly we urge the Government to reconsider its priorities and 'front-load' its intention to double the budget of the ARC.

5.2 Infrastructure

The Bill provides for \$45 million for project specific research infrastructure and \$25.7 million for systemic research infrastructure. The committee was informed that the increase to project infrastructure means that infrastructure represents 20 cents in every dollar of competitive grants allocated by the ARC and the NH&MRC.⁶²

The Democrats note the recent advice of the Chief Scientist that infrastructure in the USA and other OECD countries is usually of the order of 40 cents in the dollar.⁶³

While welcoming the modest increase appropriated in the Bill, the Democrats are concerned that infrastructure funding remains very uncompetitive.

5.3 2000 new undergraduate places

The Democrats welcome the provision of 2000 extra funded undergraduate places for maths, science and IT. We note, however, that the allocation of these places departs substantially from current practice in that it will be effectively a competitive tender managed by DETYA with input from DISR and DCITA.

⁶² Mr Michael Gallagher, *Committee Hansard*, Monday 25 June 2001, p. 52

⁶³ Dr Robin Batterham, *Chance to Change*, DISR, November 2000, p. 66

While there is nothing necessarily objectionable in the Commonwealth expecting rather specific outcomes from public funds, the Democrats are not convinced that competitive tendering is a sound allocative mechanism in education. In one sense, this new mechanism can be interpreted as a vote of insufficient confidence in universities and as such raises some questions concerning the autonomy of institutions. Moreover, we interpret the imposition of a competitive tender in this case as an explicit recognition by the Commonwealth that current allocative processes are flawed. While well outside the ambit of this legislation, the Democrats note that this is an issue requiring fine grained analysis in the current Senate Inquiry into Higher Education.

6. Process

The Democrats are not impressed that the change to the appropriation for establishment grants has been bundled in an omnibus bill – it raises questions as to the motives of the Government in respect of legislation that has already proven to be highly divisive.

The Democrats note with much concern that the Government chose not to defend their legislation by putting a submission before the Senate inquiry. We believe this is poor practice and seriously undermines the various assertions about the urgency of this Bill.

The Democrats also note that it was known in early October that the figures in the States Grants Bill was wrong. It is not credible for the Government to turn around eight months later and berate the Democrats for wishing to examine a Bill in appropriate detail when it was only introduced into the Senate on June 20.

Senator Natasha Stott Despoja

Senator Lyn Allison

Leader of the Australian Democrats

Schools Spokesperson

APPENDIX 1 - SUBMISSIONS

- 1 The Australian Association of Christian Schools
- 2 Adelaide University Postgraduate Students' Association
- 3 University of Melbourne Postgraduate Association
- 4 University of Sydney Students' Representative Council
- 5 Australian Vice-Chancellors' Committee
- 6 Council of Australian Postgraduate Associations
- 7 Postgraduate Board University of New South Wales
- 8 Sydney University Postgraduate Representative Association
- 9 National Tertiary Education Union
- 10 National Union of Students
- 11 Australian Research Council
- 12 Australian Education Union
- 13 Independent Education Union of Australia

APPENDIX 2 - HEARINGS

CANBERRA, 15 JUNE 2001

Australian Education Union: Mr Denis Fitzgerald, Federal President

Australian Vice-Chancellors' Committee: Mr Conor King, Director Policy and Co-ordination

National Tertiary Education Union: Mr Greg McConville, Policy & Research Officer

Council of Australian Postgraduate Associations: Mr John Byron, President; Ms Angela Pratt, Vice President; Ms Karen Mann, Research Officer

National Union of Students: Mr David Henderson, National President; Ms Kate Davison, National Education Officer

Department of Education, Training and Youth Affairs

Mr George Giffing, Principal Government Lawyer

Schools Division

Mr Chris Evans, Assistant Secretary, Budget and Coordination Branch

Ms Aurora Andruska, Assistant Secretary, Schools Resources Branch

Ms Di Weddell, A/g Assistant Secretary, Literacy and Special Programmes Branch

Mr Michael Goonrey, Director, General Recurrent Grants

Mr Murray Kimber, Director, Literacy Section

Higher Education Division

Mr Bill Mutton, Assistant Secretary, Funding Group

Ms Stella Morahan, Director, Institutional Financing Unit

CANBERRA, 25 JUNE 2001

Department of Education, Training and Youth Affairs

Schools Division

Mr Tony Greer, First Assistant Secretary

Mr Chris Evans, Assistant Secretary, Budget and Coordination Branch

Ms Aurora Andruska, Assistant Secretary, Schools Resources Branch

Ms Di Weddell, A/g Assistant Secretary, Literacy and Special Programmes Branch

Mr Michael Goonrey, Director, General Recurrent Grants

Higher Education Division

Mr Michael Gallagher, First Assistant Secretary, Higher Education Division,

Mr Bill Mutton, Assistant Secretary, Funding Group

APPENDIX 3 - ADDITIONAL INFORMATION

Additional information accepted as evidence of the inquiry:

date	from	topic
22/6/01	DETYA	answer to question at hearing (Senator Carr) 15/6/01, <i>Hansard</i> p.47
26/6/01	Council of Australian Postgraduate Associations	answer to questions at hearing (Senator Carr) 15/6/01, <i>Hansard</i> p.30,33
27/6/01	DETYA	table referred to at hearing 25/6/01, p.63