

## Majority report

1.1 On 9 March 2005, the Senate referred to the Legislation Committee the Higher Education Legislation Amendment (2005 Measures No. 1) Bill 2005, for inquiry and report on 16 March 2005.

1.2 Due to the inquiry's short time frame, submissions were called for immediately. Six submissions were received.

### Provisions of the bill

1.3 Like the previous higher education funding bills which have been considered by this committee, the Higher Education Legislation Amendment (2005 Measures No. 1) Bill 2005 is omnibus legislation which amends the *Higher Education Support Act 2003* (HESA), the *Higher Education Funding Act 1988*, (HEFA) and the *Maritime College Act 1978*. The main purpose of the bill is to honour a number of election and other commitments for 2004-08, which follow from the higher education reforms announced in *Our Universities: Backing Australia's Future*. Among other provisions, the proposed funding will create one hundred new radiation therapy places as part of the Government's Strengthening Cancer Care package; provide the infrastructure for Charles Darwin University to improve its information technology; and enable James Cook University to establish a school of veterinary science and agriculture.

1.4 Other funding measure include forty additional aged care nursing places; funding for twelve additional medical places at James Cook University; an additional \$16.5 million in National Institute funding for the Australian National University; and a transfer of funds for infrastructure development at the Australian Maritime College's Point Nepean Campus. The bill will also introduce a number of initiatives under HESA to facilitate implementation of the Government's higher education reforms. These reforms substantially increase the total amount of funding under the Commonwealth Grant Scheme.

1.5 The committee's consideration of this bill was limited to the amendment to section 41-10 of HESA, which will make higher education providers listed on Table B under the Act eligible for funding under the Capital Development Pool (CDP). The committee also considered the possibility that this amendment will be used as a precedent for future funding decisions in relation to Table B institutions. At present, only Table A providers are eligible for funding under HESA.

### Extension of the Capital Development Pool to Table B providers

1.6 As noted in previous committee majority reports on higher education funding, it is Government policy to encourage the private higher education sector to meet the varying training and professional skills needs of industry. The Government believes that the private sector has an important role to play in the future delivery of flexible and multi-disciplinary courses.

1.7 According to DEST, the proposed amendment relating to the eligibility of Table B providers to CDP funds is mainly required to enable payment of a \$2 million grant to the University of Notre Dame (UNDA) for its new medical school in Fremantle. The grant was approved when UNDA was listed as a Table A provider under the former Higher Education Funding Act (HEFA). However, when UNDA was re-listed as a Table B provider following the Government's higher education reforms, it became ineligible to receive any grant money under the new legislative framework. The amendment will enable UNDA to receive capital development funds previously allocated under HEFA, but which need to be paid under the Higher Education Support Act.<sup>1</sup>

1.8 The committee received submissions from the University of Notre Dame, Bond University and the Melbourne College of Divinity, which are all Table B institutions, supporting the bill's provision extending the eligibility for CDP funding. Each university indicated that being eligible for CDP funds would enable overdue investment in infrastructure development. The University of Notre Dame, for example, indicated that having access to capital development grants would enable all of its student programs to be fully supported, including the National Priority Places which have been allocated to it.<sup>2</sup> The Melbourne College of Divinity submission also stressed that CDP funding would enable the Joint Theological Library, the graduate studies centre and the university's central administration to be located together at an appropriate site after almost one hundred years of renting different premises.<sup>3</sup>

1.9 The committee notes the concern of the AVCC that the amendment could be used as a precedent for the future funding of table B institutions. It does not however agree with the AVCC's conclusion that extending the eligibility of CDP funding to Table B providers is either inconsistent with the intent of Table B, or reduces the limited capacity of the CDP pool to provide for the capital needs of Table A institutions.<sup>4</sup> As the DEST submission highlighted, the amendment will only make Table B providers eligible to apply for CDP funding; it does not alter the distinction between the two tables under the Higher Education Act. Table B providers will not automatically be guaranteed any funds through the program: 'Funding allocations are made following a competitive assessment process. During the assessment process the advice of State and Territory Governments is sought on their priorities with regard to proposals'.<sup>5</sup>

1.10 The committee concludes that the bill before the committee will enable the Government to maintain its commitment to Notre Dame University and provide consistent treatment to other higher education providers listed on Table B (Bond

---

1 DEAT, *Submission 5*, p.2

2 The University of Notre Dame, *Submission 3*, p.1

3 The Melbourne College of Divinity, *Submission 1*, p.2

4 AVVC, *Submission 4*, p.2

5 DEST, *Submission 5*, p.2

University and Melbourne College of Divinity). The amendment in this bill, which is consistent with current funding arrangements under HESA, will ensure consistency and fairness in the provision of Commonwealth funds across the private higher education sector.

**Recommendation**

**The committee commends this bill to the Senate and recommends its passage without amendment.**

Senator Judith Troeth  
Chair

