

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into the Higher Education Legislation Amendment (2005 Measures No.1) Bill 2005

Submission no: 5

Received: 14/03/2005

Submitter: Ms Anne Baly
Acting Group Manager
Higher Education Group

Organisation: Department of Education, Science and Training

Address: 14 Mort Street
GPO Box 9880
CANBERRA ACT 2601

Phone: 02 6240 9744

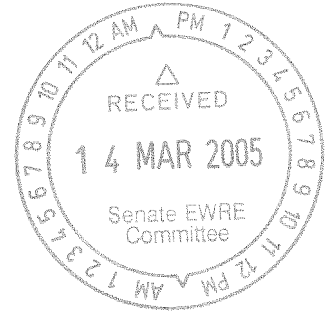
Fax: 02 6240 9783

Email: Anne.baly@dest.gov.au



Australian Government

Department of Education, Science and Training



**Submission to the Senate Employment, Workplace Relations and
Education Committee**

**Inquiry into the Higher Education Legislation Amendment Bill (2005
Measure No 1) 2005**

Higher Education Group
14 Mort Street
GPO Box 9880
Canberra ACT 2601

March 2005

Introduction

The purpose of this submission is to provide information on the implications of the *Higher Education Legislation Amendment Bill (2005 Measures No 1) 2005* ("the Bill") on Australia's higher education sector according to the terms of reference of the Inquiry.

In its call for submissions, the Committee indicated that it would examine the amendment which will make higher education providers listed on Table B of the *Higher Education Support Act 2003* eligible for funding under the Capital Development Pool. The Committee will also examine the possibility of this amendment being used as precedent for later funding decisions.

Overview of the Bill

The Bill amends three Acts – the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988*, and the *Maritime College Act 1978*.

Amendments to the *Higher Education Support Act 2003*

The Bill will make amendments to the *Higher Education Support Act 2003* (HESA) to revise the maximum funding amounts under section 30-5 under the Commonwealth Grant Scheme, and section 41-45 for Other Grants to provide for election and other funding commitments for 2004-08.

The 2004 election commitments are as follows:

- o 100 new radiation therapy places;
- o infrastructure funding for Charles Darwin University to improve information technology; and
- o infrastructure funding for James Cook University to establish a veterinary science school.

Other funding commitments include:

- o 40 aged care nursing places additional to those already announced in the 2004-05 Budget;
- o increased National Institute funding for the Australian National University;
- o additional medical places for James Cook University and;
- o a transfer of funds for infrastructure development at the Australian Maritime College's Point Nepean campus.

The Bill will also introduce a number of other initiatives under HESA to further smooth implementation of the higher education reforms including:

- o extending eligibility for capital development pool funding under Other Grants to Table B providers;
- o allowing exemptions from the tuition assurance requirements (TARs) for Higher Education Providers (HEPs) to be subject to conditions and to apply only for a specified period; and
- o providing that a re-crediting of Student Learning Entitlement (SLE) and FEE-HELP balance occurs if a HEP who is subject to the TARs ceases to be able to provide a unit of study.

Amendments to other legislation

The Bill amends the *Higher Education Funding Act 1988* (HEFA) to:

- clarify that no refunds of voluntary HECS repayments will be made from 1 January 2005; and
- make a technical correction to the definition of HECS debt to make it consistent with the *Higher Education Support Act 2003*.

The Bill also amends the *Maritime College Act 1978* to ensure that the Australian Maritime College complies with the National Governance Protocols.

Principle amendment to be considered

Eligibility for Capital Development Pool funding

The Bill amends the *Higher Education Support Act 2003* to make Table B providers eligible to apply for funding through the Capital Development Pool (CDP). At present, only Table A providers are eligible for CDP funding under HESA.

The University of Notre Dame Australia (UNDA) was listed as a Table A provider under HEFA. Table A providers were eligible to receive grants for capital projects under HEFA. In 2003, UNDA applied for and received approval to obtain a grant of \$2 million under the Capital Development Pool (CDP) for its new medical school in Fremantle. As CDP funding is approved three years in advance of payment, the grant was not due until 2006.

Following the higher education reforms, UNDA is now listed as a Table B provider under HESA, making it ineligible to receive these funds under the current legislative framework.

The amendment in this Bill will enable UNDA to receive these funds previously allocated in 2004 under HEFA but which need to be paid under HESA.

The Government believes that its commitment to UNDA should be met. In the interests of fairness and consistency to the other providers on Table B (Bond University and Melbourne College of Divinity) HESA is being amended to extend the eligibility for CDP funding to all Table B providers.

While the amendment will make all Table B providers eligible to apply for CDP funding, they will not be guaranteed of receiving any funds through the programme. The amendment will simply make them eligible to apply for funding through the CDP. 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.

Table B institutions are currently eligible to receive research funding, in particular funding through the Institutional Grants Scheme (IGS) and the Research Training Scheme (RTS). Staff at Table B institutions can also apply for and hold ARC Grants. As with other private higher education providers, Table B institutions may be allocated for Commonwealth supported places for National Priorities. Students at Table B institutions can also access FEE-HELP.

Capital Development Pool

The CDP commenced in 1994 to assist higher education institutions with special capital projects. In 2005, the total level of CDP funding available for allocation is \$44 million.

The CDP primarily supports two types of projects:

- electronic delivery infrastructure projects that increase the cost-effectiveness of education delivery or provide increased access to higher education provision, particularly in regions with a relatively low tertiary participation; or

- new campus developments in suburban growth corridors and regional centres which involve collaboration with TAFE and have the support of the relevant State or Territory Government.

The CDP Guidelines are currently being reviewed.

Department of Education, Science and Training

March 2005