THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

HIGHER EDUCATION SUPPORT AMENDMENT (2010 BUDGET MEASURES) BILL 2010

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Tertiary Education, Skills, Jobs and Workplace Relations)
The Bill will amend the Higher Education Support Act 2003 (HESA) to revise the maximum funding amounts in:

- section 30-5 for the Commonwealth Grant Scheme;
- section 41-45 for Other Grants; and
- section 46-40 for Commonwealth scholarships

to reflect supplementation for indexation increases and 2010–11 Budget decisions.

The Bill will amend section 30-5 of HESA to provide for changes to the maximum grant amounts under the Commonwealth Grant Scheme for 2010 and 2011 to take account of movements in indexation and increases in funding resulting from the lifting of the cap on over enrolments for 2010 and 2011 from 5 per cent to 10 per cent as part of the transition to a student centred funding system from 2012.

The Bill will amend section 41-45 of HESA to vary the maximum payments for grants under Part 2-3 of HESA to reflect 2010-11 Budget measures for a 20 per cent reduction in funding from the Australian and Learning Teaching Council and the cessation of the Graduate Skills Assessment Program; and to take account of movements in indexation and to include funding for the 2014 year.

The Bill will amend section 46-40 of HESA to increase the maximum grants payable under Part 2-4 to take account of movements in indexation and to include funding for the 2014 year.

**FINANCIAL IMPACT**

The Bill:

- increases the overall appropriation under section 30-5 of HESA by $681,394,000 for the period 1 January 2010 to 31 December 2011;
- increases the overall appropriation under section 41-45 by $164,325,000 for the period 1 January 2010 to 31 December 2013 and also provides appropriation funding for 2014 of $2,163,501,000; and
- decreases the overall appropriation under section 46-40 by $10,687,000 for the period 1 January 2010 to 31 December 2013 and also provides appropriation funding for 2014 of $278,830,000.
NOTES ON CLAUSES

Clause 1 - Short title


Clause 2 - Commencement

Subclause 2(1) inserts a three column table setting out commencement information for various provisions in the Act. Each provision of the Act specified in column 1 of the table commences (or is taken to have commenced) in accordance with column 2 of the table and any other statement in column 2 has effect according to its terms.

The table has the effect of providing for sections 1-3 and any provision in HESA not covered elsewhere in the table to commence on Royal Assent and for Schedule 1 to commence on 1 December 2010.

Subclause 2(2) provides that column 3 of the table is for additional information which may be added to or edited in any published version of the Act but that information in this column is not part of the Act.

Clause 3 - Schedule(s)

Provides that each Act that is specified in a Schedule is amended or repealed as set out in the applicable items in the Schedule and that any other item in a Schedule has effect according to its terms.

For ease of description, this explanatory memorandum uses the following abbreviation:

HESA means the ‘Higher Education Support Act 2003.’
Schedule 1—Grants

Higher Education Support Act 2003

Item 1 – Paragraphs 30-5(1)(f) and (g)

Repeals paragraphs 30-5(1)(f) and (g) and substitutes new paragraphs 30-5(1)(f) and (g).

Section 30-5 of HESA provides that the Minister must ensure that the total amounts of grants payable under Part 2-2 of Chapter 2 of HESA in respect of a year as a result of allocation to higher education providers under section 30-10 do not exceed the amounts for each year as specified in subsection 30-5(1). New paragraphs (f) and (g) provide that the maximum allocation to higher education providers is $4,833,034,000 for the year 2010 and $5,011,996,000 for the year 2011.

Item 2 – Subsection 41-45(1) (table items 6 to 9)

Repeals items 6 to 9 in the table at subsection 41-45(1) and inserts new items 6 to 10 in the table for the years 2010 to 2014. The table sets out the maximum payment of other grants under Part 2-3 of HESA for a year. Subsection 41-45(1) provides that the total payments under Part 2-3 in respect of a year referred to in the table must not exceed the amount specified next to that year in the table.

Items 6, 7, 8, 9 and 10 provide that the maximum payments for other grants under Part 2-3 are $1,874,910,000 for 2010, $2,032,393,000 for 2011, $2,056,285,000 for 2012, $2,179,375,000 for 2013 and $2,163,501,000 for 2014.

Item 3 – Section 46-40 (table items 7 to 10)

Repeals items 7 to 10 in the table at section 46-40 and inserts new items 7 to 11 in the table for the years 2010 to 2014. The table sets out the maximum payments for Commonwealth scholarships for a year.

Items 7, 8, 9, 10 and 11 provide that the maximum payments for Commonwealth scholarships are $304,553,000 for 2010, $316,212,000 for 2011, $307,376,000 for 2012, $278,370,000 for 2013 and $278,830,000 for 2014.