EXPLANATORY STATEMENT

Guidelines made under subsection 238-10 of the Higher Education Support Act 2003

Amendment No. 7 to the Commonwealth Grant Scheme Guidelines

Issued by the authority of the Minister for Education, Science and Training

Subject: Higher Education Support Act 2003
Amendment No. 7 to the Commonwealth Grant Scheme Guidelines

Authority
Section 238-10 of the Higher Education Support Act 2003 (the Act) provides that the Minister may make guidelines for the purposes of the Act. In particular, section 238-10 specifies that the Minister may make the Commonwealth Grant Scheme Guidelines to give effect to matters set out in Part 2-2 of the Act.

Purpose and operation
The Commonwealth Grant Scheme Guidelines commenced on 2 June 2004, and were amended on 5 November 2004, 2 December 2004, 13 May 2005, 27 September 2005, 30 November 2005 and 21 July 2006, and are now being amended for the seventh time. These guidelines serve a number of purposes.

Chapter 8, Adjustments, sets out the circumstances in which an eligible higher education provider’s basic grant amount for a year is to be adjusted, and the amount of the adjustment or how it is to be worked out under section 33-20 of the Act.

The amendment to 8.5 of the guidelines enables the Minister to exercise discretion in making adjustments to 2006 basic grant amounts for Table A providers under subsection 33-25(3) of the Act (in relation to under-enrolment in 2005), rather than automatic grant reductions being applied.

The amendment to paragraph 8.6 of the guidelines separates the adjustments to basic grant amounts of non-Table A providers from those of Table A providers (at paragraph 8.5 of the Commonwealth Grant Scheme Guidelines.)

Commencement
The guidelines commence the day after they are registered on the Federal Register of Legislative Instruments.

Consultation
The higher education sector was consulted extensively on this amendment. On 2 December, the draft amendment was sent to the Australian Vice-Chancellors’ Committee and other higher education peak bodies for comment. Comments on the draft amendment were then sought from the sector more broadly through the Backing Australia’s Future Newsletter No. 21 in March 2006.