

## **EXPLANATORY STATEMENT**

*Guidelines issued under section 238-10 of the Higher Education Support Act 2003*

Other Grants Guidelines (Education) 2010

Issued by the authority of the Minister for Education

Subject: *Higher Education Support Act 2003*  
Other Grants Guidelines (Education) 2010

### **Authority**

Section 238-10 of the *Higher Education Support Act 2003* (the Act) provides that the Minister may make guidelines providing for matters required or permitted by the Act necessary or convenient to be provided in order to carry out or give effect to the Act. In particular section 238-10 specifies the Minister may make Other Grants Guidelines to give effect to matters set out in Part 2-3 of the Act.

Section 41-15 of the Act provides that the Other Grants Guidelines may specify one or more programs under which grants for particular purposes specified in the table in subsection 41-10(1) are to be paid.

### **Purpose and operation**

The purpose of this instrument is to revoke the Other Grants Guidelines 2008 and all subsequent amendments and to make the Other Grants Guidelines (Education) 2010 ('the Guidelines').

The Guidelines provides for matters in order to make grants under Part 2-3 of the Act.

### **Background**

On 11 November 2008, the Minister for Education, the Hon. Julia Gillard MP, made the Other Grants Guidelines 2008. These were registered on 26 November 2008 [F2008L04362].

The Administrative Arrangements Order (AAO) of 25 January 2008 ordered that research matters under the Act are the responsibility of the Minister for Innovation, Industry, Science and Research, and that all other matters under the Act are the responsibility of the Minister for Education. As a consequence, matters formerly dealt with in the Other Grants Guidelines 2006 relating to grants for the purposes of research will now be dealt with in the Other Grants Guidelines (Research) 2008, made by the Minister for Innovation, Industry, Science and Research.

This instrument revokes the Other Grants Guidelines 2008 and all subsequent amendments and makes new Guidelines under the Act relating to grants for the purposes of education under Part 2-3 in accordance with the AAO. In addition, the Guidelines have been altered to reflect new arrangements under the Higher Education Participation and Partnerships Program, which replaces the Higher Education Equity Support Program.

## Overview of the Other Grants Guidelines (Education) 2010

### Chapter i

Chapter i sets out the purpose of, and the defined terms used within, the Guidelines. Chapter i also provides information on the *Freedom of Information Act 1982*, which may apply to documents created by the Department of Education, Employment and Workplace Relations ('the Department') in relation to the Guidelines.

### Chapter 1 Grants to promote equality of opportunity in higher education

Subsection 41-10(1) of the Act provides that Table A providers are eligible for grants to promote equality of opportunity in higher education, specified in item 1 of the table.

Chapter 1 sets out the programs that will assist with overcoming barriers to *access and participation* by domestic undergraduate students in higher education, in particular those students who are Indigenous, from a low socio-economic status background, or who have a disability.

#### *Indigenous Support Program (ISP)*

- 1.15 Sets out the objective of the Indigenous Support Program, which is to provide funding to eligible higher education providers to assist them to meet the special needs of Indigenous Australian students and to advance the goals of the National Aboriginal and Torres Strait Islander Education Policy.
- 1.20 Sets out additional conditions of eligibility relating to strategies for improving access, participation, retention and success and participation of Indigenous people in providers' decision making processes and Indigenous employment.
- 1.25 Provides that the grant amount will be indexed in accordance with Part 5-6 of the Act.
- 1.30.1 Provides the method by which a payment is made under the program.
- 1.35.1 Sets out the grant conditions which include providing a report on the expenditure of the grant amount.
- 1.35.5 Sets out essential requirements of the expenditure report.
- 1.35.10 Clarifies that the Department will provide higher education providers with a special format for the providers reporting purposes and that this report must be submitted to the Department by 31 May each year.

#### *Higher Education Participation and Partnerships Program (HEPPP)*

- 1.40.1 Sets out the objectives and structure of the HEPPP. It specifies that the HEPPP provides funding to eligible higher education providers to undertake activities and implement strategies that improve access to undergraduate courses for people from low SES backgrounds and improve their retention and completion rates.
- 1.40.5 Sets out the two components of the HEPPP being Component A – the "Participation Component" and Component B – the "Partnership Component".

- 1.45 Sets out the terminology used for funding available under the HEPPP program. It also sets out the total amount of funding available for allocation under the HEPPP, for each year, from 2010 to 2013 as well as the total funding available for each component part under the HEPPP, providing that allocation amounts are subject to indexation adjustment in accordance with Division 198 in Part 5-6 of the Act.
- 1.50.1 Specifies that the allocation will be available for: meeting existing commitments consistent with the program objectives; meeting, but not extending, existing grant commitments made under the previous Higher Education Equity Support Program; grants made in response to proposals invited by the Minister; and distribution to eligible providers under the formula for Component A (the Participation component) and Component B (the Partnership component).
- 1.50.5 Specifies that providers may use Participation funding to supplement Partnership activities.
- 1.50.10 Specifies that funds are to be expended on initiatives which target current and prospective domestic undergraduate students from low SES backgrounds, following the priorities for the two components of the Program. Also provides that programs should be tailored to the demographics of current and prospective students.
- 1.50.15 Provides that funding may not be spent on infrastructure or general services.
- 1.50.25 Specifies that grants will be subject to the Minister's approval and determination of writing of the amount of the grant and conditions on which the grant is made.
- 1.50.30 Specifies that funding for grants may be made in relation to the total cost of a project or on a yearly basis, reviewed annually.
- 1.50.35 Specifies that funding will be distributed each calendar year.
- 1.55.1 Specifies that the objective of the Participation component of the HEPPP is increase the participation of current and prospective domestic students from low socio-economic status backgrounds in accredited undergraduate qualifications.
- 1.55.5 Specifies that eligible providers receive funds based on their respective share of the indicator of domestic undergraduate students from low socio-economic status backgrounds.
- 1.60.1 Sets out the formula for deriving the measure of domestic undergraduate students from low socio-economic status backgrounds.
- 1.60.5 Stipulates that the measure of low SES in Component A and the mix of eligible payments listed in Component B in subsection 1.60.1 may be changed at the discretion of the Minister.
- 1.60.10 Sets out the formula for distribution of Participation funds to eligible providers.
- 1.65.1 Sets out examples of acceptable Participation activities that providers may undertake.
- 1.70.1 Sets out the objectives of the Partnerships component which are to increase the total number of people from low SES backgrounds who access and participate in higher education through effective outreach and related activities with appropriate

stakeholders. It also sets out potential student outcomes of implementing Partnership activities.

- 1.70.5 Sets out the intentions of the Partnership activities for providers.
- 1.75 Sets out the formula for distribution of Partnership funds to eligible providers, specifying that the funds remaining in any given year will be distributed through a competitive grant process to be determined by with Department with proposals being accepted from 2010.
- 1.80.1 Stipulates that Partnership programs must meet the objectives outlined at 1.70.1 and the principles outlined at 1.80.5 to be eligible for funding.
- 1.80.5 Sets out the principles that Partnership activities will need to reflect: collaboration; early intervention and continuing engagement; awareness; integrated and multi-layered; participation focus; and evidence based.
- 1.80.10 Stipulates that, taking budgetary constraints into consideration, priority for approval will be given to proposals which the Minister considers best fulfil the objectives of the Partnership Component.
- 1.80.15 Stipulates that the Department may attach conditions, benchmarks and reporting requirements to approved proposals.
- 1.85.1 States that providers will be required to assist the Department in evaluating the HEPPP.
- 1.85.5 Sets out the reporting date for outcomes achieved in the 2010 calendar year, stipulating that the report must be in a format specified by the Department.
- 1.85.10 Sets out the reporting requirements for providers in relation to student outcomes.
- 1.85.15 Stipulates that, for Component A, providers will be required to report on program activities undertaken including engagement and support strategies and alternative pathways to university for students, consistent with the objectives at section 1.55.1 and the activities at section 1.65.1.
- 1.85.20 Sets out the reporting requirements for baseline funding under Component B.
- 1.85.25 Sets out the reporting requirements for Component B for 2011-2013 in relation to the submission based funding allocation.

#### *Higher Education Disability Support Program*

- 1.90.1 Identifies the three components of the Higher Education Disability Support Program: Additional Support for Students with Disabilities; Australian Disability Clearinghouse on Education and Training and Performance-based Disability Support funding.
- 1.95.1 Sets out the total grant available under the program in 2009 and provides that this amount will be indexed for subsequent years in accordance with Division 198 in Part 5-6 of the Act.
- 1.100.1.1 Specifies the objectives of the Additional Support for Students with Disabilities component, which are to assist higher education providers to meet the costs of

students with disabilities with high cost needs, and to encourage efficient use of specialised resources to support students with disabilities.

- 1.100.5.5 Specifies how grant amounts are to be determined for the Additional Support for Students with Disabilities component.
- 1.100.5.10 Indicates that funding is allocated annually on application by eligible higher education providers using a claim form.
- 1.100.5.20 Sets out that eligible providers meet at least the first \$500 of each student's needs with respect to educational support. For equipment items, the proportion of actual cost to be paid is determined by the Department after all claims have been received and analysed.
- 1.100.10 Specifies extra conditions of grant for the Additional Support for Students with Disabilities component, including the need for eligible providers to obtain evidence of a student's disability and support needs, and to maintain records of the evidence and assessment process used to verify disability and support needs.
- 1.105 Specifies the objective of the Australian Disability Clearinghouse on Education and Training is to facilitate equitable access to education and training for people with a disability. Funds will be provided to the higher education provider hosting the Australian Disability Clearinghouse on Education and Training as determined by the Minister.
- 1.110 Specifies that the objective of the Performance-based Disability Support funding component of the program is to encourage the participation of people with a disability in higher education, and outlines the funding allocation formula. The performance-based component of funding comprises that amount of funding which remains after allocations are made to eligible providers based on the number of domestic students with a disability enrolled at each higher education provider, weighted for the retention and success of these students. Total pool funding is less the amount allocated to the Additional Support for Students with a Disability and the Australian Disability Clearinghouse on Education and Training components.
- 1.110.10 Specifies extra conditions of grant for the Australian Disability Clearinghouse on Education and Training component.

## Chapter 2 Grants to enhance learning and teaching in higher education

Chapter 2 establishes the Learning and Teaching Performance Fund (LTPF) as a program for the purposes of subsection 41-15(1) of the Act, and specifies the matters listed in subsection 41-15(1) of the Act. The chapter sets out the objectives of the LTPF and the amount to be spent on the program, and explains the allocation and payment processes to higher education providers, in accordance with item 3 of the table in subsection 41-15(1) of the Act.

- 2.5 Identifies the objective of the LTPF. The LTPF aims to reward higher education providers for excellence and improvement in learning and teaching. The decision to reward improvement as well as excellence was made by the Minister in May 2008. The higher education sector has been advised of the change in policy and has participated in discussions about how improvement should be measured and rewarded.
- 2.10 Specifies which higher education providers are eligible to participate in the LTPF, namely, those identified in item 3 of section 41-10 of the Act.

- 2.15 Notes that funding is provided under Part 2-3 of the Act. The allocations are \$74.436 million in 2009. This amount is subject to indexation.
- 2.20 States that providers will be notified each year of the funding process to be applied in the subsequent year.
- 2.25 Provides that the amounts paid will be determined by the Minister, and that they will be paid at times to be decided by the Secretary.

### Chapter 3 Grants to support national institutes specified in the Other Grants Guidelines for purposes of this item

Chapter 3 specifies the higher education providers that may be supported by grants under item 4 of the table in subsection 41-10(1) of the Act, which are:

- The Australian National University
- The University of Tasmania in respect of the Australian Maritime College institute
- Batchelor Institute of Indigenous Tertiary Education

### Chapter 4 Grants to support the capital development projects of higher education providers (CDP)

Chapter 4 specifies the Capital Development Pool (CDP) Program as a program for which grants to support capital development projects of higher education providers may be paid, in accordance with item 5 of the table in subsection 41-15(1) of the Act. It also specifies the areas of capital development for which grants may be paid under the Program.

- 4.5.1 Provides that CDP Program funding may be provided to eligible higher education providers to encourage:
- (i) new campus developments in suburban growth corridors and regional centres;
  - (ii) projects aimed at establishing or expanding courses identified by the government as discipline areas of national importance;
  - (iii) information and communication technology infrastructure projects which improve the cost-effectiveness and quality of educational delivery;
  - (iv) the building or major refurbishment of capital infrastructure for student amenities;
  - (v) projects to rebuild or the restore campus facilities which are in the Minister's view extraordinary and special; and
  - (vi) capital developments that the Minister considers are priorities for particular higher education providers.

The Department invites annually eligible higher education providers to submit applications for funding on a competitive basis. All proposals received are assessed by the Department against uniform assessment criteria. Higher education providers are advised in writing on the outcome of their applications.

In addition to the current objectives of the program, 4.5.1 (iv) has been added to encourage and support the building or major refurbishment of capital infrastructure for student amenities (see Consultation).

### Chapter 5 Grants to assist with the cost of higher education providers' superannuation liabilities

The purpose of Chapter 5 is to establish the Higher Education Superannuation Program (the HES Program) as a program for the purposes of section 41-15 of the Act. The objective of the HES Program is to provide Commonwealth assistance to Table A providers under the Act to assist with the cost of higher education providers' superannuation liabilities. Chapter 5 specifies the payment arrangements for grants under item 6 of the table in subsection 41-10(1) of the Act.

5.1 and 5.10 set out the HES Program's purpose and objectives.

- 5.15 Provides that the grants under the HES Program may be either of two types:
- supplementation payments, to cover ongoing expenses incurred by providers in relation to unfunded superannuation costs; or
  - paying out of determined liabilities.

5.20, 5.25 and 5.30 provide that the Minister:

- will approve the grants;
- will determine the grant amounts; and
- may determine conditions that apply to grants.

- 5.35 Sets out the extra condition of eligibility for grants which is that a provider must have staff who are members of a particular emerging cost scheme and lists those schemes.

- 5.40 Provides that the funds for the program will be indexed in accordance with Division 198 of Part 5-6 of the Act.

#### Chapter 6 Grants to assist with the cost of providing the practical component of teacher education

The purpose of Chapter 6 is to specify Improving the Practical Component of Teacher Education ("IPCTE") as a program from which grants to assist with the cost of providing the professional experience component of teacher education may be paid, in accordance with item 8A of the table in subsection 41-15(1) of the Act, and to specify some of the matters listed in paragraphs 41-15(2)(a) to (g) of the Act.

6.1 and 6.5 set out the IPCTE Program's purpose and objectives.

- 6.10 Sets out the amount of funds allocated to the IPCTE Program and that this amount is subject to indexation in accordance with Part 5-6 of the Act.

- 6.15 Sets out the conditions of eligibility for the provision of grants under the IPCTE Program.

- 6.20 Specifies the higher education providers that are eligible for IPCTE grants.

#### Chapter 7 Grants to support diversity and structural reform

Chapter 7 sets out the requirements relevant for two programs under which grants may be paid to support diversity and structural reform, in accordance with item 9A of the table in subsection 41-15(1) of the Act.

The Chapter sets out the purpose, program objectives, total program funds, allocation of the grant, the organisations eligible for grants and the application process for the Diversity and Structural Adjustment Fund (Diversity Fund).

- 7.5 Sets out the program's objective. The objective of the Diversity Fund is to promote structural reform by eligible higher education providers that supports greater specialisation among providers, more diversity in the higher education sector and better responsiveness to labour markets operating in the local or national interest.

- 7.10 Specifies the total program fund and allocation. The total funds to be allocated under the Diversity Fund will be \$206 million over 4 years 2008-2011. The yearly provision



will be indexed in accordance with Division 198 of Part 5-6 of the Act, as in force from time to time.

- 7.15 Specifies the allocation of grants. Grants are:
- allocated to meet existing funding commitments under the Diversity Fund, including those made under the Collaboration and Structural Reform Fund which it subsumed;
  - allocated in response to proposals invited by the Department as part of the annual funding round;
  - allocated in response to proposals outside the submission-based rounds that address specific priorities set by the Minister. There will be a link to these priorities on the Department's website; and
  - allocated subject to the Minister's approval and determination in writing, specifying the amount of the grant as well as any conditions.
- 7.20 Specifies organisations that are eligible for grants under the Diversity Fund. The fund is open to all Table A providers, and Table B providers that are universities (as defined in section 16-15 of the Act). Funds are also available to meeting existing commitments to certain other bodies corporate that are listed at 9.20.2.

The Chapter also sets out the Clinical Outreach Program from which grants to support clinical training for dentistry students at James Cook University may be paid. As part of the 2008-09 Budget, the Australian Government announced funding for this purpose.

- 7.30 Sets out the program's objective.
- 7.35 Specifies that James Cook University is eligible to receive a grant under the program.
- 7.45 Specifies that the Program will commence in 2009 and end in 2013 and that it will provide the University with a grant of \$2 million in 2009. This amount will be indexed in accordance with the method set out in Part 5-6 of the Act for each of the years 2010, 2011, 2012 and 2013.
- 7.50 Specifies that the grant will be made in respect of a year and that it will be subject to the Minister's approval and determination in writing of the grant amount and any conditions on which the grant is made.

#### Chapter 8 Grants for activities that:

The purpose of this Chapter is to specify the bodies corporate that are eligible for grants, in accordance with items 11(a) and (c) of the table in subsection 41-10(1) of the Act.

#### *8(a) Assure and enhance the quality of Australia's higher education sector*

Sub-chapter 8(a) lists grants for activities that assure and enhance the quality of Australia's higher education sector and specifies that Table A providers and bodies corporate that are specified in the Guidelines are eligible for grants for the purpose of that item.

- 8.1 States that certain bodies corporate are eligible for grants under 8(a).
- 8.5 Lists the bodies that are eligible for grants.
- 8.5.5 Provides that the Minister will determine the conditions of grants to the bodies listed at 8.5 by Ministerial determination under paragraph 41-25(b)(i) of the Act.

- 8.10 Sets out the information that relates to the Australian Learning and Teaching Council (ALTC) Program:
- The ALTC Program will be funded by a grant made under this Chapter; and
  - The conditions of funding for the ALTC Program will be specified in a Ministerial Determination.

*8(b) Support Open Access to higher education across Australia*

Sub-chapter 8(b) specifies the Open Learning Initiative as a program from which grants for activities that support open access to higher education across Australia may be paid, in accordance with subsection 41-15 (1) of the Act. It also lists the bodies corporate that are eligible for grants under the program and the method by which grant amounts will be determined.

- 8.20 Provides that Open Universities Australia Pty Limited is eligible to receive an annual grant under the Open Learning Initiative program.
- 8.25 Sets out the method by which a grant is calculated in a year. A grant is based on the number of Open Universities Australia units of study for which students have accessed FEE-HELP in a year. The total grant includes a base amount for a scheduled number of units, and an additional amount for any unit above the scheduled number. 8.70 also sets a maximum grant amount of \$257,000 for 2006.
- 8.30 Provides that the monetary amounts used in calculating the grant, and the maximum grant amount will be indexed each year after 2006 in accordance with the method of indexation set out Part 5-6 of the Act.

Chapter 9 Grants to assist with the transitional costs of changes to maximum student contribution amounts

- 9.1 Specifies that the Transitional Costs Program is a program under which grants can be paid for the purposes of assisting with the costs of changes to maximum student contribution amounts announced in the 2007-08 Budget, in accordance with item 12 of the table in subsection 41-15(1) of the Act.
- 9.5 Sets out the program objectives. As part of the 2007-08 Budget, the funding arrangements for Commonwealth supported places in accounting, administration, economics and commerce were aligned with those for law. The Commonwealth Grant Scheme (CGS) funding rate for accounting and related disciplines is \$1,674 for each equivalent full-time student load in 2008 and the maximum student contribution providers can charge is \$8,499.

Any changes to student contributions affect students who commenced studying at higher education providers on or after 1 January 2008. Commonwealth supported students studying before this date are able to continue under existing arrangements until the end of 2012.

To assist higher education providers with the transitional costs associated with these changed funding arrangements for accounting and related disciplines, the Transitional Costs Program compensates providers for receiving a lower Commonwealth contribution amount under the CGS for accounting and related disciplines and not being able to charge continuing students a higher student contribution amount to make up the difference between the new and old CGS amounts.

- 9.10 Specifies which higher education providers will be eligible for the Transitional Costs Program.
- 9.15 Specifies how the amount of the grant will be determined for each eligible higher education provider.

### Consultation

For the purposes of making new Guidelines, a number of chapters required some amendments to the equivalent chapters of the Other Grants Guidelines 2006. Consultation with the higher education sector regarding these amendments was considered necessary.

### *Chapter 1*

Part of Chapter 1 (relating to the Higher Education Equity Support Program) was sent out to the sector for consultation and comment. A draft discussion of proposed amendments to parts 1.40 to 1.60 of the Guidelines was circulated to 41 higher education providers by email and other relevant stakeholders. Fourteen responses were received by email.

A significant majority of respondents noted that the new part 1.50 allows for grants to be made in response to proposals invited by the Minister. Under the current program funding is allocated by formula and there was no provision for funding of individual projects. The new funding structure was necessary for the Minister to meet existing commitments.

In addition, part 1.60 specifies the amount of a grant payable to a provider for a calendar year under the ESP is the proportion of the allocation in that year remaining after grants made in order to meet existing funding commitments and funding in response to proposals invited by the Minister.

The changes to both 1.50 and 1.60 were required to enable the Minister to meet existing commitments.

In response to sector concerns, the term “non-English speaking background” was retained as changing it would have required some administrative changes but would have not resulted in significant benefits.

The sector noted the term “regional and remote” would be incorporated into the guidelines as opposed to “rural and isolated” because equity performance indicators: participation by students from rural and isolated area was previously calculated using the rural, Remote and Metropolitan Area (RRMA) Index. RRMA is a redundant method and the Department has moved to the Ministerial Council on Education, Employment, Training and Youth Affairs’ Geographical Location classification (MCEETYA) model which uses the ABS Student Accessibility/Remoteness Index of Australia (ARIA). The relevant equity performance indicators have been recalculated in line with this methodological change within the ESP.

For other part of Chapter 1 (relating to the Higher Education Disability Support Program), sector and other key stakeholders were not consulted. This is because on 8 May 2008, the former Minister for Vocational and Further Education, Andrew Robb announced that as part of the 2007-08 Budget, a new program would be established called the National Disability Liaison Officer Program. As a result, the former Disability Coordination Officer Program (administered by the former VET under an Appropriations Bill) and the Regional Disability Liaison Officer (RDLO) initiative (currently referred to in Chapter 1 of the Other Grants Guidelines ceased on 31 December 2007.

The Portfolio Budget Statements for 2007-08 reflects the decrease in funding for Equity Programs in higher education as funds previously available for administration of the RDLO initiative were transferred to the new National Disability Liaison Officer Program.

Removal of the RDLO component from the Guidelines will reflect the decision made by the previous Government during the 2007-08 Budget.

## *Chapter 2*

The Minister for Education decided in May 2008 to reward improvement as well as excellence under the Learning and Teaching Performance Fund (LTPF) which is set out in Chapter 2 of these Guidelines. The sector was advised of the decision in May 2008. In July 2008, Vice-Chancellors were asked to comment on the proposed process for measuring improvement. The Department received submissions from 31 universities and Universities Australia. These were reviewed by the LTPF Advisory Group. Subject to the Minister's agreement to the proposed process, the methodology supporting the additional policy objective will be included in the 2009 LTPF Administrative Information for Providers.

## *Chapter 4*

The amendment to the Capital Development Pool program (with the addition of 4.5.1 (iv)) arises from the Government's comprehensive review in 2008 to assess the impact of Voluntary Student Unionism on services, amenities and representation for university students. One hundred and sixty-two written submissions were received in response to the discussion paper *The Impact of Voluntary Student Unionism on Services, Amenities and Representation for Australian University Students*. The Minister for Youth also undertook face-to-face meetings with higher education stakeholders including universities, students, sporting and community groups, and state and territory governments. Submissions to the review indicated that the abolition of compulsory non-academic student fees has impacted negatively on the provision of amenities and services, with the greatest impact being felt at smaller and regional universities and campuses. Many submissions noted that the current arrangements were not sustainable. As a consequence, further consultation with the higher education sector in relation to the amendment to the Capital Development Pool program was not considered necessary.

## *Chapter 7*

This chapter incorporates amendments to provide for the Clinical Outreach Program. This is a 2008-09 Budget initiative and is in line with James Cook University's expectations. Therefore no consultation was considered necessary.

## *Other amendments*

The remainder of the amendments to the Guidelines from the Other Grants Guidelines 2006 are machinery in nature and do not substantially alter existing arrangements for the higher education sector. Therefore no other parts of the guidelines were distributed for consultation.

## Commencement

The Guidelines will take effect the day after the day on which they are registered on the Federal Register of Legislative Instruments.