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CABINET MINUTE

Without Submission

HIGHER EDUCATION REFORMS

1. The Cabinet noted:
 - (a) an oral report by the Minister for Education, Science and Training ('the Minister') on the progress of negotiations with independent Senators on the package of reforms to the higher education sector ('the sector') currently before Parliament; and
 - (b) a paper provided by the Minister giving options for a clause on Australian Workplace Agreements (AWAs) for inclusion in the Higher Education Workplace Reform Requirements proposed in the package of reforms referred to in paragraph 1(a) above.
2. The Cabinet authorised the Minister to agree with independent Senators in relation to access by universities to the increase in Commonwealth grant funding of 7.5 per cent over three years (paragraph 1(a)(ii) of Cabinet Minute JH03/0120/CAB/5 of 15 April 2003 refers):
 - (a) to a requirement to the effect that all certified agreements for universities made and certified after 22 September 2003 include the following clause: "The university may offer AWAs in accordance with the *Workplace Relations Act 1996*"; and
 - (b) if possible, that the requirement referred to in paragraph 2(a) above be included in the higher education legislation rather than in a disallowable instrument.



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3. The Cabinet also noted that:

- (a) the requirement referred to in paragraph 2(a) above would be an improvement on the current situation, under which some certified agreements in the sector preclude the offering of AWAs;
- (b) the Government's commitment to pursuing more flexible working arrangements in the sector, including an increase in the usage of AWAs, would continue to be made clear; and
- (c) the Workplace Productivity Programme in the package of reforms referred to in paragraph 1(a) above (paragraph 1(b)(v) of Cabinet Minute JH03/0120/CAB/5 of 15 April 2003 also refers) would provide positive incentives for further reforms in workplace relations in the sector in line with the Government's policy.

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Secretary to Cabinet



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27 November 2003

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**Without
Submission**

HIGHER EDUCATION REFORMS

1. The Ministers noted an oral report by the Minister for Education, Science and Training ('the Minister') on a number of possible amendments to the higher education reform package ('the package') (Cabinet Minute JH03/0120/CAB/5 of 15 April 2003 refers).
2. The Ministers agreed that the Minister negotiate with the Australian Vice Chancellors' Committee and Independent and Australian Democrat Senators on variations to the package with the following estimated financial impact:
 - (a) increasing the Higher Education Contributions Scheme repayment threshold to \$33,150 in 2005-06:

| | Resourcing (\$ million) | Impact on fiscal balance (\$ million) | Impact on underlying cash balance (\$ million) |
|---------|----------------------------|---|---|
| 2003-04 | to be settled | 0.0 | 0.0 |
| 2004-05 | to be settled | 0.0 | 0.0 |
| 2005-06 | to be settled | 0.0 | -16.0 |
| 2006-07 | to be settled | +2.4 | -17.2 |
| 2007-08 | to be settled | +4.9 | -18.4 |



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(b) an additional 1,500 Commonwealth Accommodation Scholarships per year (targeted to low-income rural students):

| | Resourcing (\$ million) | Impact on fiscal balance (\$ million) | Impact on underlying cash balance (\$ million) |
|---------|----------------------------|---|---|
| 2003-04 | to be settled | -6.0 | -3.0 |
| 2004-05 | to be settled | -12.3 | -9.1 |
| 2005-06 | to be settled | -18.8 | -15.5 |
| 2006-07 | to be settled | -25.6 | -22.2 |
| 2007-08 | to be settled | -26.3 | -25.9 |

(c) an additional 1,400 university places from 2007:

| | Resourcing (\$ million) | Impact on fiscal balance (\$ million) | Impact on underlying cash balance (\$ million) |
|---------|----------------------------|---|---|
| 2003-04 | to be settled | 0.0 | 0.0 |
| 2004-05 | to be settled | 0.0 | 0.0 |
| 2005-06 | to be settled | 0.0 | 0.0 |
| 2006-07 | to be settled | -10.8 | -5.4 |
| 2007-08 | to be settled | -19.2 | -15.0 |

(d) additional funding for the Australian Maritime College, Tasmania and Bachelor Institute of Indigenous Tertiary Education, Northern Territory:



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| | Resourcing (\$ million) | Impact on fiscal balance (\$ million) | Impact on underlying cash balance (\$ million) |
|---------|----------------------------|---|---|
| 2003-04 | to be settled | 0.0 | 0.0 |
| 2004-05 | to be settled | -5.6 | -2.8 |
| 2005-06 | to be settled | -5.7 | -5.7 |
| 2006-07 | to be settled | -5.8 | -5.8 |
| 2007-08 | to be settled | -5.9 | -5.9 |

(e) tripling funding available under the Students with Disabilities programme from 2005:

| | Resourcing (\$ million) | Impact on fiscal balance (\$ million) | Impact on underlying cash balance (\$ million) |
|---------|----------------------------|---|---|
| 2003-04 | to be settled | 0.0 | 0.0 |
| 2004-05 | to be settled | -2.0 | -1.0 |
| 2005-06 | to be settled | -2.0 | -2.0 |
| 2006-07 | to be settled | -1.9 | -2.0 |
| 2007-08 | to be settled | -1.9 | -1.9 |

(f) doubling funding under the Higher Education Equity programme to support students from disadvantaged backgrounds from 2005:

| | Resourcing (\$ million) | Impact on fiscal balance (\$ million) | Impact on underlying cash balance (\$ million) |
|---------|----------------------------|---|---|
| 2003-04 | to be settled | 0.0 | 0.0 |
| 2004-05 | to be settled | -2.0 | -1.0 |
| 2005-06 | to be settled | -2.0 | -2.0 |
| 2006-07 | to be settled | -2.0 | -2.0 |
| 2007-08 | to be settled | -1.9 | -1.9 |



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(g) additional funding to support educationally disadvantaged students to undertake bridging and pre-university courses:

| | Resourcing (\$ million) | Impact on fiscal balance (\$ million) | Impact on underlying cash balance (\$ million) |
|---------|----------------------------|---|---|
| 2003-04 | to be settled | 0.0 | 0.0 |
| 2004-05 | to be settled | -12.1 | -6.1 |
| 2005-06 | to be settled | -12.5 | -12.3 |
| 2006-07 | to be settled | -12.8 | -12.7 |
| 2007-08 | to be settled | -13.2 | -13.0 |

(h) funding to upgrade the University of Tasmania medical school (equal funding to be provided by the State Government and philanthropic donations):

| | Resourcing (\$ million) | Impact on fiscal balance (\$ million) | Impact on underlying cash balance (\$ million) |
|---------|----------------------------|---|---|
| 2003-04 | to be settled | 0.0 | 0.0 |
| 2004-05 | to be settled | -6.0 | -3.0 |
| 2005-06 | to be settled | -6.0 | -6.0 |
| 2006-07 | to be settled | 0.0 | -3.0 |
| 2007-08 | to be settled | 0.0 | 0.0 |

3. In relation to the proposal to remove the 3.5 per cent interest rate on the FEE/HELP and OS/HELP programmes, the Ministers also agreed that:

(a) the Minister continue to reject any change to the original measure that is proposed in negotiations; but

(b) options be developed for possible further consideration to:

(i) reduce the proposed interest rate; and



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(ii) in relation to FEE/HELP and OS/HELP, for those participants who would have had access to similar assistance under programmes that now exist (for example, the Postgraduate Education Loans Scheme), maintain interest rate treatment equal to the effective interest rate treatment in the current arrangements.

4. The Ministers further agreed that:

- the Minister emphasise in the negotiations referred to in paragraph 2 above that the inclusion in funding agreements of a clause requiring Australian Workplace Agreements to be available for staff was non-negotiable and the clause must be included if higher education providers wished to access the increase in Commonwealth grant funding of 7.5 per cent (paragraph 1(a)(ii) of Cabinet Minute JH03/0120/CAB/5 of 15 April 2003 refers); and
- the additional workplace relations requirements included in the template offered to higher education providers would need to be implemented as part of the requirements for access to the Workplace Productivity Programme from 2006.

5. The Ministers also noted that final costs of the variations referred to in paragraph 2 above, including resourcing implications, would need to be confirmed with the Department of Finance and Administration.

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