2004-2005-2006

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUSTRALIAN TECHNICAL COLLEGES (FLEXIBILITY IN ACHIEVING AUSTRALIA'S SKILLS NEEDS) AMENDMENT BILL 2006

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Vocational and Technical Education the Honourable Gary Hardgrave MP)
OUTLINE

The purpose of the Bill is to amend the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Act 2005 (the Act), which provides for the establishment and operation of Australian Technical Colleges. The Act provides funding for the Colleges over the period 2005 to 2009.

The Bill will amend Column 2 of the table in subsection 18(4) of the Act. Funding from 2008 and 2009 will be brought forward into 2006 and 2007 to meet the expected expenditure for the Australian Technical Colleges initiative over those years. The total amount of funds appropriated under the Act will remain unchanged. The need for increased funding in 2006 and 2007 reflects the significant progress that has been made in establishing the Colleges.

The Bill also includes a regulation-making power to allow funding for a calendar year to be carried over or brought forward to another calendar year. This amendment will remove the need for an amendment to the Act when funding for a calendar year needs to be carried over (or brought forward) during the funding period covered by the Act.

For example, with this power, the transfer of funds from 2008 and 2009 into 2006 and 2007 included as an amendment in this Bill (outlined above) would have been undertaken by making regulations rather than an amendment to the Act.

FINANCIAL IMPACT

The Bill provides for an appropriation of $343.6 million over the period 2005 to 2009 to support the establishment and operation of the Colleges. This is consistent with the total amount already appropriated under the Act.

The impact of the Bill on the fiscal balance is as follows:

2005-06:  - $31.027 million
2006-07:  - $44.008 million
2007-08:  + $10.227 million
2008-09:  + $44.009 million
2009-10:  + $20.779 million
NOTES ON CLAUSES

Part 1 – Preliminary

Clause 1 – Short Title

Provides for the Act to be cited as the Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Amendment Act 2006.

Clause 2 – Commencement

Provides for the Act to commence on the day on which it receives the Royal Assent.

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.
Schedule 1 — Amendments

*Australian Technical Colleges (Flexibility in Achieving Australia’s Skills Needs) Act 2005*

**Item 1 – Subsection 18(4) (cell at table item 2, column 2)**

Section 18 of the Act provides that the Minister may make determinations authorising payment of financial assistance under the Act to a State or to an Australian Technical College authority. Subsection 18(4) includes a table setting out the maximum amounts of financial assistance payable for each calendar year 2005-2009. **Item 1** changes the amount for the 2006 calendar year from ‘$47,950,000’ to ‘$110,000,000’.

**Item 2 – Subsection 18(4) (cell at table item 3, column 2)**

Changes the amount for the 2007 calendar year from ‘$84,034,000’ to ‘$110,000,000’.

**Item 3 – Subsection 18(4) (cell at table item 4, column 2)**

Changes the amount for the 2008 calendar year from ‘$101,419,000’ to ‘$55,000,000’.

**Item 4 – Subsection 18(4) (cell at table item 5, column 2)**

Changes the amount for the 2009 calendar year from ‘$94,380,000’ to ‘$52,783,000’.

The total appropriation under the Act is not altered by the amendments in items 1 to 4. Funds are brought forward from 2008 and 2009 to 2006 and 2007 to allow those funds to be spent earlier.

**Item 5 – At the end of subsection 18(4)**

Inserts a note at the end of subsection 18(4) which makes it clear that the operation of section 20A may affect the amounts in column 2 of the table in subsection 18(4).

**Item 6 – Before section 21**

Inserts proposed new section 20A, which deals with changes to amounts under subsection 18(4). Proposed subsection 20A(1) provides that the regulations may specify an amount for column 2 of the table in subsection 18(4) for a particular year. Proposed subsection
20A(2) provides that if regulations are made under subsection 20A(1) specifying an amount for the column for the year, the Act has effect as if the amount specified in the column for the year were the amount specified in the regulations for the column for the year. Proposed subsection 20A(3) makes it clear that the amount the regulations may specify under subsection 20A(1) may be nil.

This regulation making power is intended to provide for greater flexibility in the administration of funds for Australian Technical Colleges under the Act. It is not intended to be used to increase or decrease the total appropriation under the Act but to allow amounts to be moved between calendar years should the need arise. This will avoid the need to amend the Act each time funds need to be moved, and allow for greater efficiency in the administration of the programme.