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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUSTRALIAN TECHNICAL COLLEGES (FLEXIBILITY IN ACHIEVING AUSTRALIA’S SKILLS NEEDS) AMENDMENT BILL (NO. 2) 2006

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Vocational and Technical Education the Honourable Gary Hardgrave MP)
AUSTRALIAN TECHNICAL COLLEGES (FLEXIBILITY IN ACHIEVING AUSTRALIA’S SKILLS NEEDS) AMENDMENT BILL (NO. 2) 2006

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 (ATCs). The Act provides funding for the Colleges over the period 2005 to 2009.

The Bill will amend column 2 of the financial assistance table under subsection 18(4) of the Act. Funding will be increased for each year from 2006 until 2009. The need for increased funding reflects the success of the ATC programme.

FINANCIAL IMPACT

The Bill provides for an increase in the appropriation for each of the calendar years from 2006 to 2009. The total funding appropriated under the Act will be increased from $343.6 million to $456.2 million over the period 2005 to 2009 to support the establishment and operation of the Colleges.

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

- 2006-07:  - $27.848 million
- 2007-08:  - $42.628 million
- 2008-09:  - $32.647 million
- 2009-10:  - $9.509 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 (No. 2) 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Provides that each Act that is specified in a Schedule is amended or repealed as set out in the applicable items in the Schedule, and that any other item in a Schedule has effect according to its terms.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) (table)

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 repeals the table and inserts a new table to provide additional funding for the years 2006 to 2009 for the Australian Technical Colleges initiative.

The maximum amounts of financial assistance payable for 2005 shown in column 2 of the new table has not changed (i.e. there is no retrospective increase in the appropriation for that year).