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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) 2007**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Vocational and Further Education
the Honourable Andrew Robb AO MP)

**AUSTRALIAN TECHNICAL COLLEGES (FLEXIBILITY IN
ACHIEVING AUSTRALIA'S SKILLS NEEDS) AMENDMENT BILL
(NO. 2) 2007**

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 the financial assistance table under subsection 18(4) of the Act. Funding will be increased for 2008 and 2009 and additional funding will be included for 2010 and 2011. The increased funding will support the establishment of a further three Australian Technical Colleges.

FINANCIAL IMPACT

The Bill provides increased funding for the establishment and operation of three additional Australian Technical Colleges over the period 2008 to 2011. The total funding appropriated under the Act will increase from \$456.2 million to \$530.9 over the period 2005 to 2011.

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

2008-09: - \$17.125 million

2009-10: - \$24.802 million

2010-11: - \$15.823 million

2011-12: - \$16.951 million

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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) 2007*.

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Provides that each Act that is specified in a Schedule is amended or repealed as set out in the applicable items in the Schedule, and that any other item in a Schedule has effect according to its terms.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) currently 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 2008 and 2009 and to insert maximum funding amounts (appropriations) for the years 2010 and 2011. This will support the establishment of a further three Australian Technical Colleges.