

1994

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE SENATE

VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL
1994

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Schools, Vocational Education and Training,
the Honourable Ross Free, MP)

THIS MEMORANDUM TAKES ACCOUNT OF AN AMENDMENT MADE BY THE
HOUSE OF REPRESENTATIVES TO THE BILL AS INTRODUCED

VOCATIONAL EDUCATION AND TRAINING AMENDMENT BILL 1994

OUTLINE

The *Vocational Education and Training Amendment Bill 1994* amends the *Vocational Education and Training Funding Act 1992* and gives effect to the following:

appropriation of 1996 vocational education and training funding to ANTA, including a further \$70m in growth funding to help achieve the Finn participation targets for young people;

provision of funding to ANTA for off-the-job training provider assistance under the Australian Traineeship System, Career Start Traineeships and National Training Wage Traineeships;

provision of additional funding to ANTA in 1995 and 1996 for additional trainees under the Australian Traineeship System, Career Start Traineeships and National Training Wage Traineeships as part of the strategy in the White Paper to achieve an additional 50,000 Entry Level Training places by 1995-96. The Bill provides that this additional funding is only to go to those States that achieve extra trainees;

inclusion, from July 1994, of the ACT in the national TAFE infrastructure program managed by ANTA; and

provision of normal cost supplementation for price increases.

PURPOSE OF THE BILL

Commonwealth funding for the Vocational Education and Training sector for the years 1994 and 1995 has already been appropriated under the *Vocational Education and Training Funding Act 1992*.

This Bill provides for supplementation to these amounts in line with price movements.

The Bill also appropriates funding for 1996, in accordance with the Commonwealth's undertaking in the Heads of Government Agreement to establish the Australian National Training Authority to provide triennial funding for the vocational education and training sector.

1996 also sees further evidence of the Government's commitment to expansion of the vocational education and training sector through the provision of a further \$70m in growth funds. This brings total growth funding since 1993 to \$1.1 billion. The Commonwealth, in turn, expects States and Territories to honour their undertakings in the ANTA Agreement including maintaining their own effort in vocational education and training.

This Bill also provides funding (\$25.9m from 1994, including \$2.4m for monitoring purposes) to ANTA for support for off-the-job training provider assistance under the Australian Traineeship System, Career Start Traineeships and National Training Wage Traineeships, including assistance for both public and private training providers.

As the Government announced in the White Paper, we are committed to the task of achieving 50,000 additional entry-level training places by 1995-96. An integral part of this is achieving an additional 16,000 trainees in that time. In 1995 and 1996, an additional \$12.8m and \$22.7m respectively is available for this purpose. When this is combined with the \$70m growth funds that the Government is providing in each of 1995 and 1996, as well as the transitional funding of \$20.4m in 1994 and \$10.0m in 1995 provided in the Budget, the Government expects these costs to be more than adequately met. The Government expects ANTA to report separately each year on progress towards achieving a target of 35,000 trainees by 1995-96, under the \$2.4m being provided to monitor these grants. The Bill provides that these additional funds will only go to those States and Territories that are able to demonstrate to ANTA that they have achieved additional trainees.

This Bill also adjusts funding to ANTA from July 1994 to allow the ACT to enter the national infrastructure program for vocational education and training. This places the ACT on the same footing as all other States and Territories in terms of national planning for vocational education and training facilities.

FINANCIAL IMPACT

Total funding appropriated under the Bill is:

an additional \$34.652m in 1994, bringing total 1994 funding to \$673.612m

an additional \$48.728m in 1995, including \$12.758m for additional trainees - bringing total 1995 funding to \$768.469m

- \$858.209m in 1996, including \$22.68m for additional trainees.

NOTES ON CLAUSES

Clause 1 - Short title etc.

Subclause 1(1) would provide for the short title of the proposed Act to be the *Vocational Education and Training Funding Amendment Act 1994*.

Subclause 1(2) would provide for the 'Principal Act' to be the *Vocational Education and Training Funding Act 1992*.

Clause 2 - Commencement

Clause 2 would provide that the Act commence on the day it receives Royal Assent.

Clause 3 - Interpretation

Clause 3 would amend section 8 of the Principal Act to insert a definition which provides that 'State' includes the Australian Capital Territory and the Northern Territory.

Clause 4 - Repeal of section 9 and substitution of new sections

Subclause 4(1) would repeal the existing section 9 and substitute two new sections - a new section 9 and section 9A.

New section 9 would amend existing amounts that can be granted to ANTA for 1994 and 1995 and appropriates funding for 1996.

New section 9A would give effect to the White Paper decision to provide additional funding in 1995 and 1996 for additional trainees receiving eligible off-the-job training. This section would also provide that this additional funding is only payable in respect of a State where the Minister is satisfied that there has been an increase in the number of trainees in the State.

New subsection 9A(2) would provide a definition of 'eligible off-the-job training' so that these words mean off-the-job training under the Australian Traineeship System, Career Start Traineeships and National Training Wage Traineeships which the Minister considers should be taken into account for the purposes of the section.

New Subsection 9A(3) would prevent the Minister from allocating funds in a calendar year in excess of the amount for that year in the table in subsection 9A(4).

Subclause 4(2) would be a savings provision to ensure that a determination currently in force under section 9 continues to have effect after the commencement of the proposed Act.

Clause 5 - Amendment of sections referring to section 9

This clause would make consequential amendments to other sections of the Principal Act which refer to section 9.

