

1992

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

TRAINING GUARANTEE (ADMINISTRATION) AMENDMENT BILL 1992

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Employment,
Education and Training, the Hon Kim Beazley MP)

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GENERAL OUTLINE

This Bill amends the Training Guarantee (Administration) Act 1990 to give effect to a recommendation of the Report of the Australian Education Council Review Committee entitled "Young People's Participation in Post-Compulsory Education and Training" (the Finn Report). It also makes some minor technical amendments to the Act's provisions and clarifies the legislation regarding trustees.

In line with the Finn Report's recommendations, the Bill provides for work experience and supervised practice for students and teachers to be included in an eligible training program of an employer.

The Bill provides that eligible expenditure is only incurred in a year if goods or services to which the expenditure relates are provided within 13 months.

The Bill makes provision for the regulations to prescribe a standard cost per kilometre in relation to motor vehicle travel for training purposes.

The Bill clarifies the intention of the legislation that a person who is a trustee be regarded as a separate person in relation to each trust.

FINANCIAL IMPACT STATEMENT

It is not expected that any additional funds will be required as a result of these amendments to the Training Guarantee (Administration) Act, nor that any additional demands will be made on the Training Guarantee Fund.

NOTES ON CLAUSES

Clause 1 - Short Title

This clause provides that the Act may be cited as the Training Guarantee (Administration) Amendment Act 1992. The clause also identifies the Principal Act as the Training Guarantee (Administration) Act 1990.

Clause 2 - Commencement

This provides that the Act commences on the day of Royal Assent.

Clause 3 - Interpretation

This clause amends certain definitions used in the Act, which are required as a result of an amendment outlined under clause 4 in relation to trustees. Paragraph (e) is omitted from the definition of "person" and, as a consequence, the word 'and' is omitted from paragraph (d).

Clause 4 - Treatment of Trustees

This clause clarifies the treatment of a person who is a trustee under one or more trusts by introducing proposed section 11C.

Proposed sub-section 11C(1) makes clear that if a person is a trustee under one or more trusts, the trustee is to be taken as a separate person in relation to each trust for purposes of the legislation.

Proposed sub-section 11C(2) includes provision for the operation of Part III of the Taxation Administration Act 1953 in relation to the treatment of trustees. Part III of the Taxation Administration Act provides general offences and prosecution provisions for most Commonwealth taxing legislation.

Clause 5 - Meaning of eligible training expenditure

This clause amends section 25 of the Principal Act by inserting a further provision as to the meaning of eligible training expenditure.

Proposed sub-section 25(1A) provides that eligible training expenditure is only incurred in a year if the goods or services to which the expenditure relates are provided within 13 months from the day of agreement relating to the provision of such goods or services.

Proposed sub-paragraph 25(1A)(b)(ii) enables the Commissioner of Taxation to allow in writing an extension beyond the time limit of 13 months.

Clause 6 - Examples of eligible training expenditure

This clause amends section 26 of the Principal Act by inserting a further provision.

Proposed sub-section 26(2A) provides for eligible training expenditure for travel in relation to an eligible training program by means of a prescribed motor vehicle to be based on the number of kilometres travelled by the prescribed rate.

A regulation prescribing the motor vehicle and the kilometre rate will be made in the near future.

Clauses 7 and 8 - Meaning of eligible training program

These clauses amend section 27 of the Principal Act by making provision for a period of work experience generally supervised practice or closely supervised practice in relation to a student or teacher to be an eligible training program.

Proposed new sub-section 27A(1) establishes the provisions for work experience or practice in relation to a student as part of the student's course.

First a student must be undertaking a course at a higher education institution, a technical and further education institution or a school or any other institution registered under a State or Territory law. Second the student must be undertaking the course on a full-time basis. Third the course must be at or above the level of Year 10 or its equivalent. Fourth the student must be under 21 when the work experience or practice is undertaken.

Proposed new sub-section 27A(2) establishes the provisions for work experience or practice in relation to a teacher.

First a teacher must be at a school or institution as defined in sub-section 27A(1) in relation to a student. Second there must be an agreement between the teacher and the school or institution at which the teacher was employed immediately before undertaking the work experience or practice. This agreement must specify the terms and conditions under which the teacher undertakes the work experience or practice. Third there must be an agreement between the school or institution of the teacher and the provider of work experience or practice specifying the nature of work experience or practice and the expected outcomes from it. Fourth the teacher must be a full-time employee of the school or institution at the time of the agreement.

Clause 9 - Application

This clause provides that amendments made by this Act have application for the year commencing on 1 July 1992 and for each subsequent year

