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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

VOCATIONAL EDUCATION AND TRAINING FUNDING BILL 1992

EXPLANATORY MEMORANDUM

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

VOCATIONAL EDUCATION AND TRAINING FUNDING BILL 1992

OUTLINE

The purpose of this Bill is to provide funds for expenditure on technical and further education/vocational education and training in respect of the 1993-95 triennium.

Part 2 of the Bill amends the *States Grants (TAFE Assistance) Act 1989* to make provision for grants of financial assistance to the States and Territories for technical and further education for 1993, 1994 and 1995. Part 2 of the Bill also provides for the supplementation of financial assistance grants for 1992 in accordance with agreed supplementation arrangements.

The payment of financial assistance to the States/Territories under Part 2 will not be authorised in respect of program years 1994 and 1995 if Part 3 of the Bill has commenced before the beginning of that program year.

Part 3 of the Bill provides for funds for vocational education and training to be paid to the Australian National Training Authority (the Authority) in respect of 1994 and 1995. Part 3 commences on a day to be fixed by Proclamation.

FINANCIAL IMPACT

The Bill provides for a total of \$552.187 million to be made available in 1993; a total of \$630.795 million to be made available in 1994; a total of \$709.825 million to be made available in 1995; and an additional \$5.028 million to be made available for recurrent purposes in 1992 (bringing the total 1992 recurrent program to \$261.317 million).

NOTES ON CLAUSES

PART 1 - PRELIMINARY

Clause 1 - Short title

1. The short title of the proposed Act will be the *Vocational Education and Training Funding Act 1992*.

Clause 2 - Commencement

2. Parts 1 and 2 of the proposed Act will commence on the day of Royal Assent. The commencement date of Part 3 of the proposed Act will be fixed by Proclamation, subject to the condition that Part 3 of the proposed Act may not commence before the date of commencement of the *Australian National Training Authority Act 1992* or later than 30 December 1993. If Part 3 of the proposed Act has not commenced before 31 December 1993, then the Part is repealed on that day.

PART 2 - AMENDMENTS TO THE STATES GRANTS (TAFE ASSISTANCE) ACT 1989

3. Part 2 of the Bill (clauses 3 - 7) amends the *States Grants (TAFE Assistance) Act 1989* to provide financial assistance to the States and Territories for technical and further education (TAFE) for 1993, 1994 and 1995. Part 2 of the Bill also provides for the supplementation of financial assistance grants for 1992.

Clause 3 - Principal Act

4. In Part 2 of the Bill, the 'Principal Act' is the *States Grants (TAFE Assistance) Act 1989*.

Clause 4 - Interpretation - defined expressions

5. The definition of 'program year' is amended to include 1993, 1994 and 1995.

Clause 5 - Grants for recurrent expenditure

6. Section 10 of the Principal Act is amended to provide for the supplementation of 1992 grants to reflect cost movements. Section 10 is also amended to provide financial assistance grants to the States/Territories for TAFE recurrent purposes for 1993, 1994 and 1995.

7. Section 10 of the Principal Act is further amended to provide that the payment of funds under Section 10 is not authorised in respect of a program year that begins on or after 1 January 1994 if Part 3 of the *Vocational Education and Training Funding Act 1992* has commenced before the beginning of that year.

Claus 6 - Approved expenditure in relation to approved capital expenditure proposals

8. Section 13 of the Principal Act is amended to provide for financial assistance grants to the States/Territories for TAFE capital purposes in 1993, 1994 and 1995.

Clause 7 - Grants for approved capital expenditure proposals

9. Section 13 of the Principal Act is further amended to provide that the payment of funds under Section 13 is not authorised in respect of a program year that begins on or after 1 January 1994 if Part 3 of the *Vocational Education and Training Funding Act 1992* has commenced before the beginning of that year.

PART 3 - FUNDING OF VOCATIONAL EDUCATION AND TRAINING THROUGH AUSTRALIAN NATIONAL TRAINING AUTHORITY

10. This Part of the Bill (clauses 8 - 14) provides for the payment of funds to the Australian National Training Authority (the Authority) in respect of 1994 and 1995.

Clause 8 - Interpretation

11. This clause defines a number of terms for the purposes of the proposed Act.

Clause 9 - Funds for allocation by the Authority

12. This clause provides for payment to the Authority of funds for vocational education and training in respect of 1994 and 1995. The Minister would determine the amount of the payments, provided that the determination did not exceed the amounts specified in clause 9. These funds would be for allocation by the Authority under the *Australian National Training Authority Act 1992*.

13. The amounts payable to the Authority in 1994 and 1995 represent the total of the recurrent and capital amounts that would, but for the commencement of Part 3 of the proposed Act, be payable under sections 10 (recurrent expenditure) and 13 (capital expenditure) of the *States Grants (TAFE Assistance) Act 1989* (as amended by Part 2 of the proposed Act).

Clause 10 - Source of payments to the Authority

14. Payments to the Authority under clause 9 of the Bill are to be made out of the Consolidated Revenue Fund or out of the Loan Fund.

Claus 11- Authority to borrow

15. The Treasurer is authorised to borrow amounts that do not, in total, exceed the amounts that are payable to the Authority under clause 9 of the Bill.

Clause 12 - Application of amounts borrowed

16. This clause prescribes how the amounts borrowed under clause 11 may be issued and applied.

Clause 13 - Reimbursement of Consolidated Revenue Fund

17. This clause provides for the Minister for Finance to authorise a payment from the Loan Fund to the Consolidated Revenue Fund if a payment under clause 9 of the Bill has been made out of the Consolidated Revenue Fund.

Clause 14 - Appropriation

18. This clause provides for the Consolidated Revenue Fund and the Loan Fund to be appropriated as necessary for the purposes of the proposed Act.



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