

1993

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**VOCATIONAL EDUCATION AND TRAINING FUNDING LAWS AMENDMENT
BILL 1993**

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments and New Part to be Moved on Behalf of the
Government

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

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OUTLINE

The amendments vary some clauses of, and insert a new Part in, the Vocational Education and Training Funding Laws Amendment Bill 1993 so as to amend the *Vocational Education and Training Funding Act 1992* and the *Australian National Training Authority Act 1992*.

The amendments would give the Commonwealth Minister the power to direct the Australian National Training Authority not to pay, or to limit the payment of, funds provided under the *Vocational Education and Training Funding Act 1992* to any State or Territory which does not comply with the Statement on the National Vocational Education and Training System which was agreed by the Commonwealth, States and Territories. This power would be available to the Minister only in respect of funding for 1994 and 1995.

FINANCIAL IMPACT STATEMENT

Should the Minister exercise the power to direct the Australian National Training Authority, and not revoke that direction, savings to the Commonwealth could result.

NOTES ON AMENDMENTS

Amendments (1), (2) and (3)

1. Amend clause 2 of the Bill to provide that the proposed Division 1 of Part 1A of the Bill is to have effect on the day on which Part 3 of the *Vocational Education and Training Funding Act 1992* commences or the day on which the *Vocational Education and Training Funding Laws Amendment Act 1993* receives the Royal Assent, whichever is the later. However, if Part 3 of the *Vocational Education and Training Funding Act 1992* does not commence before 1 January 1994, the proposed Division 1 of Part 1A would be repealed on that day.

Amendment (4) - Amendments Allowing Minister to Withhold Certain Vocational Education and Training Funding

2. Inserts a new Part 1A in the Bill.

3. The proposed Division 1 of Part 1A amends the *Vocational Education and Training Funding Act 1992* to omit subsection 9(2) of that Act which requires that funds provided for allocation among the States and Territories must be allocated among all States and Territories. This provision is necessary to enable the Minister to direct the Australian National Training Authority (the Authority) not to allocate or pay any, or more than a specified amount, of these funds to a specified State or Territory under the provisions of the proposed Division 2 of Part 1A.

4. The proposed Division 2 of Part 1A amends the *Australian National Training Authority Act 1992* to insert a new section 14A and to make sections 13 and 14 of the Act, which deal with the allocation and payment of funds by the Authority, subject to the new section.

5. The purpose of the proposed section 14A is to give the Minister the power to direct the Authority to withhold certain Commonwealth-sourced funds from any State or Territory which does not comply with the Statement on the National Vocational Education and Training System (the Statement), a copy of which is set out in the Schedule to the *Australian National Training Authority Act 1992*. The Statement was agreed on by the Commonwealth, States and Territories and outlines, among other things, the obligations of each party.

6. Proposed subsection 14A(1) provides that the Minister may give a notice under section 14A only in respect of 1994 and 1995.

7. Proposed subsection 14A(2) permits the Minister to give a written notice to the Authority directing it not to allocate or pay to a specified State or Territory any, or more than a specified amount, of the funds provided under the *Vocational Education and Training Funding Act 1992*. A notice would have to be given before the commencement of the year to which it would apply.

8. Proposed subsection 14A(3) provides that the Minister could give a notice only if, in the opinion of the Minister, a State or Territory had not complied with the Statement.

9. By virtue of subsection 33(3) of the *Acts Interpretation Act 1901*, the Minister would be able to amend, vary or revoke a notice given under the proposed section 14A. However, proposed subsection 14(A)(4) would prohibit the Minister from amending or varying a notice so as to reduce the amount specified in the notice.

10. Proposed subsection 14(A)(5) prohibits the Authority from allocating or paying funds contrary to a notice.

Amendment (5)

11. Formal.

