



## Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill 2006

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## Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill 2006

**Date introduced:** 30 March 2006

**House:** Representatives

**Portfolio:** Education, Science and Training

**Commencement:** Royal Assent

### Purpose

The purpose of the Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill 2006 (the Bill) is to amend the *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Act 2005* (the current Act) to

- reallocate funding from 2008 and 2009 to 2006 and 2007, and
- insert a new provision in the current Act to enable the Minister to redistribute program funds between particular years by regulation instead of by legislative amendment.

### Background

#### Establishment of Australian Technical Colleges

The current Act implemented a 2004 Coalition election promise. It provides for the establishment of 25 Australian Technical Colleges (ATCs) for up to 7,500 year 11 and 12 students in 24 nominated regions across Australia.<sup>1</sup>

The nominated regions are:

NSW	Central Coast (Gosford); Dubbo; the Hunter; the Illawarra; Lismore/Ballina; Port Macquarie; Queanbeyan; Western Sydney.
NT	Darwin.
QLD	Gladstone; Gold Coast; North Brisbane; North Queensland (Townsville).
SA	Adelaide (2 ATCs); <sup>2</sup> Whyalla/Port Augusta.
TAS	Northern Tasmania.
VIC	Bendigo; Bairnsdale/Sale; Eastern Melbourne; Geelong; Sunshine; Warrnambool.
WA	Perth South; Pilbara.

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To date the Australian Government has announced 21 successful ATC proposals. Four ATCs (in Gladstone, Eastern Melbourne, Gold Coast and Port Macquarie) have commenced operations this year, with another in Northern Tasmania scheduled to open in August. Most are scheduled to open in 2007 (to date funding agreements have been signed with ATCs in North Queensland, North Brisbane, Adelaide South, Bendigo, Bairnsdale/Sale and Perth South).<sup>3</sup>

The need to shift funds between program years has occurred because more ATCs are scheduled to commence operations in 2006 and 2007 than were originally anticipated. The measure to shift funds between program years has no financial impact because the total amount of funds is unchanged.

While the establishment of ATCs has developed at a greater pace than anticipated, recent reports suggest that the establishment of some ATCs, particularly those in NSW at Dubbo, Queanbeyan and Lismore/Ballina, has been problematic because bidders have failed to satisfy tender requirements. The Minister for Vocational Training and Education is reported as saying that ATCs may be offered to other regions if agreement cannot be reached. There are also concerns that the ATCs proposed for Geelong, Illawarra, Darwin and Adelaide North may not meet their expected starting dates. Another reported problem is the Pilbara ATC because its current proposal does not meet the requirement that employers offer staff Australian Workplace Agreements.<sup>4</sup> The Victorian Government's recently announced plans to create Technical Education Centres to offer pre-apprenticeship and first-year apprenticeship training to students in years 10 to 12 may also be significant for the future operations of ATCs in that state.<sup>5</sup>

### Amendments by regulation

Similar to a recent amendment to the *Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2006*, the Bill introduces a regulation making power which will allow funds to be reallocated between program years.<sup>6</sup> Under the current Act such changes require an amending act.

The proposed amendment will provide greater administrative flexibility, allowing the government to expedite the reallocation of funds between program years because of changing or unexpected circumstances in the delivery of the ATC program. However, while regulations are subject to the standard disallowance procedures by either House under the *Legislative Instruments Act 2003*, it is nonetheless arguable that removing the requirement for legislative amendment may result in a lesser degree of parliamentary scrutiny for any changes to the ATC program. Similar concerns were also raised about provisions in the *Student Assistance Legislation Amendment Bill 2005* and the *Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Act 2005*. In both there are provisions that replace requirements for legislative amendment with the power to amend by regulations and guidelines.<sup>7</sup>

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## Main provisions

**Items 1 to 4 of Schedule 1** redistribute the funding for ATCs between program years as originally specified in subsection 18(4) of the current Act. Funding for 2006 and 2007 is increased to \$110 million for each year; funding for 2008 is reduced to \$55 million and for 2009 to \$52.8 million.

**Item 6 of Schedule 1** inserts a new section 20A in the current Act. It provides that grant amounts can be moved between program years by the making of regulations.

## Concluding comments

As the Explanatory Memorandum states, the regulation making power is intended to provide greater flexibility and efficiency in the administration of the ATC program. However a question remains about the level of parliamentary scrutiny that will be applied to the delivery of the program.

## Endnotes

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1. For further information see C. Kempner and M. Harrington, 'Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Bill 2005', *Bills Digest*, no. 158, Parliamentary Library, Canberra, 2004–05, <http://www.aph.gov.au/library/pubs/bd/2004-05/05bd158.pdf>, accessed on 5 May 2006; and the Department of Education, Science and Training's Australian Technical Colleges website, <http://www.australiantechnicalcolleges.gov.au/default.htm>, accessed on 5 May 2006.
2. The Department of Education, Science and Training has advised that the Government decided to establish two colleges in the Adelaide region, one in the south and one in the north, in response to a strong case for two ATCs that argued Adelaide's strong manufacturing base and large number of trades occupations.
3. As advised by the Department of Education, Science and Training.
4. S. Maiden, 'New tech colleges in crisis', *The Australian*, 25 April 2006, [http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION\\_ID:WOGJ6%3B](http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION_ID:WOGJ6%3B); and E. Bellamy, 'Qbn tech college could be scrapped', *Canberra Times*, 27 April 2006, [http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION\\_ID:S8GJ6%3B](http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION_ID:S8GJ6%3B), accessed on 5 May 2006.
5. Victoria. Department of Education and Training, *Maintaining the Advantage: Skilled Victorians*, Department of Education and Training, East Melbourne, Vic., 2006, p. 28.

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<http://www.det.vic.gov.au/edulibrary/public/commrel/policy/MaintainingAdvantageSkilledVictorians-pol-20060301.pdf>, accessed on 5 May 2006.

6. M. Harrington, 'Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill 2006', *Bills Digest*, no. 100, 2005–06, Parliamentary Library, Canberra, <http://www.aph.gov.au/library/pubs/bd/2005-06/06bd100.pdf>, accessed on 5 May 2006.
7. See D. Daniels, K. Jackson and T. John, 'Student assistance Legislation Bill 2005', *Bills Digest*, no. 51, Parliamentary Library, Canberra, 2005–06, pp. 8–9, <http://www.aph.gov.au/library/pubs/bd/2005-06/06bd051.pdf>; and D. Daniels and P. Yeend, 'Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005', *Bills Digest*, no. 70, Parliamentary Library, Canberra, 2005–06, pp. 31 and 55, <http://www.aph.gov.au/library/pubs/bd/2005-06/06bd070.pdf>, accessed on 5 May 2006.

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