

The Senate

Employment, Workplace Relations
and Education Legislation Committee

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

June 2006

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Membership of the Committee

Members

Senator Judith Troeth	LP, Victoria	Chair
Senator Gavin Marshall	ALP, Victoria	Deputy Chair
Senator David Johnston	LP, Western Australia	
Senator Guy Barnett	LP, Tasmania	
Senator George Campbell	ALP, New South Wales	
Senator Natasha Stott Despoja	AD, South Australia	

Substitute Members

Senator Andrew Murray AD, Western Australia	in place of Senator Natasha Stott Despoja replace for Workplace Relations
Senator Lyn Allison AD, Victoria	in place of Senator Natasha Stott Despoja replace for schools and training

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Table of Contents

Membership of the Committee	iii
Government Senators' Report	1
Conduct of the inquiry	1
Purpose of the bill.....	2
Recommendation.....	2
Opposition Senators' Report	3
Conclusion.....	3
Appendix 1	5
List of submissions	5

Government Senators' Report

Conduct of the inquiry¹

1.1 The Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill 2006 was introduced to the House of Representatives on 30 March 2006, and it was referred to this committee on 11 May 2006, through the Selection of Bills Committee. The committee's inquiry was advertised on 12 and 17 May, and one submission was received. This came from the Department of Education, Science and Training.

1.2 The Bill seeks to amend the *Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Act 2005*, which sought to implement a 2004 election promise for the establishment of 25 Australian Technical Colleges (ATC's) intended to offer courses to up to 7,500 year 11 and 12 students in 24 nominated regions across Australia. College locations are set out in the table below.

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); Whyalla/Port Augusta
TAS	Northern Tasmania
VIC	Bendigo; Bairnsdale/Sale; Eastern Melbourne; Geelong; Sunshine; Warrnambool
WA	Perth South; Pilbara

1 Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill 2006, Bills Digest no. 125, 2005-06, Parliamentary Library, 2006, pp.2-4

Purpose of the bill

1.3 This Amending bill seeks to do two things. First, to reallocate funding from 2008 and 2009 to 2006 and 2007. This is made necessary by the faster than expected establishment of colleges in several locations, and the fact that several had to be established from scratch rather than through incorporation with existing schools. The Department submitted that twenty ATCs are expected to be in operation by February 2007. The measure to shift funds between program years has no financial impact because the total amount of funds is unchanged at \$343.6 million. Details of the changes in appropriation for individual years are contained in the table below.²

	2005	2006	2007	2008	2009	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Current Appropriations	15.810	47.950	84.034	101.419	94.380	343.593
Proposed Appropriations	15.810	110.000	110.000	55.000	52.783	343.593

1.4 Second, the bill seeks to introduce a regulation-making power to enable funding changes between program years, without requiring an amending act of parliament. As usual, regulations made under the power are subject to disallowance by either House under the provisions of the *Legislative Instruments Act 2003*. Thus, no dilution of parliamentary accountability will result.

Recommendation

The committee recommends that the bill be passed without amendment.

Senator Judith Troeth
Chairman

Opposition Senators' Report

2.1 Opposition Senators support the Australian Technical Colleges (Flexibility in Achieving Australia's Skill Needs) Bill 2006. Investing in trades and technical education in our schools is important, and Opposition Senators welcome the additional investment for these Australian Technical Colleges. The Opposition supports the provisions of this Bill which will enable the funding previously appropriated to be spent more quickly.

2.2 Opposition Senators remained concerned about slow progress implementing this program. Twenty five Colleges were promised in 24 regions across Australia. To date, only four Technical Colleges are open, in Port Macquarie, Gladstone, Eastern Melbourne, and the Gold Coast, with fewer than 300 students currently enrolled. The Government had promised 300 students in each college. Of the remaining sites, only 7 funding agreements have been signed, with 11 regions still in negotiation with the Government on their contracts. Three regions have still no announcement on the preferred tenderer, more than a year after the request for proposal process closed.

2.3 A lack of financial transparency surrounding these Colleges is of concern. The Government has, at two Senate Estimates hearings, refused to provide details of the 11 funding contracts signed with individual Colleges. Advice from the Department given to this Committee at the Budget Estimates in June 2006 showed that as of 30 May 2006 whilst \$185 million has been committed to the Australian Technical Colleges only \$18 million has been spent. This is out of a total Budget of \$343 million over five years.

2.4 The Opposition notes the provisions of the Bill which seek to introduce a regulation making power to allow for funding changes between program years without the need for further resource to legislation. This proposed section would reduce the extent of Parliamentary oversight of this program which is regrettable. Spending to date indicates that current expenditure and training targets may not be met and Opposition Senators look forward to the opportunity to scrutinise any future regulations made under this new power.

Conclusion

2.5 Opposition Senators recommend the Bill be passed without amendment.

Senator Gavin Marshall
Deputy Chairman

Appendix 1

List of submissions

Sub No:	From:
1	Department of Education, Science and Training

