States Grants (Technical and Further Education Assistance) Bill 1989

Date Introduced: 1 March 1989
House: House of Representatives

Digest of Bill

Purpose
To provide grants to the States and Northern Territory for recurrent and capital expenditure in 1989.

Background
There were large changes to the funding arrangements for institutes of Technical and Further Education (TAFEs) in 1988. While the capital program was largely unaffected, the States were required to enter into resource agreements in respect of the recurrent grants. The agreements aim to provide greater flexibility in the allocation of funds between the various TAFE bodies, with greater emphasis on performance. The agreements will also ensure that the Commonwealth's priorities are met. The priorities for 1989 were outlined in document TAFE 1989 – Commonwealth Programs and Priorities released by the Minister in August 1988. The main priorities outlined were to increase enrollments in vocational courses, increased emphasis on establishing national curricula and to improve completion rates.

The funding arrangements for 1989 are also outlined in the TAFE 1989 document. Expenditure on capital programs is estimated to be the same in real terms as in 1988, while it is estimated that there will be an increase in general recurrent grants of 3.9% in real terms. Under existing arrangements, which will largely continue for this year, grants are supplemented for cost increases. The main change in this area is that there will be no supplement for second tier wage increases on the grounds that the wage increase is based on increases in productivity.

Main Provisions
Clause 7 will allow the Minister to enter into arrangements with the States (which is defined to include the Northern Territory) in relation to the provision of grants in 1989.

Part 2 of the Bill (clauses 9 to 11) deals with recurrent grants. Clause 9 will authorise the Minister to make grants to States that have entered into an arrangement under clause 7. The maximum amount that may be issued is $120,434.
million. The grants will be made on condition that an amount equal to the grant be expended on the recurrent needs of TAFEs in the State, that no fees are charged (this term is defined in clause 3 and excludes fees for student organisations, fees for courses that do not relate to a trade, technical or skilled occupation and fees that the Minister has deemed not to be fees for the purposes of this Bill), and that the State provide any information relating to TAFEs requested (clause 9).

The Minister may issue $2.575 million for adult education. Such grants will be subject to similar conditions as outlined above (clause 10).

Grants for advanced English courses for migrants are dealt with in clause 11. The maximum amount that may be issued will be $4.078 million and similar conditions as outlined above will apply.

Grants for buildings and equipment are dealt with in proposed clause 12. Such grants, to a maximum of $186.065 million, may be subject to any conditions the Minister specifies. Such grants may be used for buildings and equipment used in connection with TAFE education or for child care facilities which students will have access to. Such grants may not be made unless an arrangement under clause 7 is in force and will be subject to similar conditions as outlined above.

Part 4 of the Bill deals with miscellaneous matters. The benefits of the grants are to be equally available to both sexes (clause 13). Clause 19 will authorise advances, and clause 21 will authorise the Treasurer to borrow an amount equal to that to be spent on buildings and equipment.

Part 5 of the Bill will amend the States Grants (Tertiary Education Assistance) Act 1987 to adjust grants to TAFEs and non-Government business colleges for cost increases.

For further information, if required, contact the Education and Welfare Group.

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Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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