

1999

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE HOUSE OF REPRESENTATIVES

**INDIGENOUS EDUCATION (SUPPLEMENTARY ASSISTANCE)  
AMENDMENT BILL 1999**

**EXPLANATORY MEMORANDUM**

(Circulated by authority of the Minister for Education, Training and Youth Affairs,  
the Hon Dr David Kemp MP)

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## **INDIGENOUS EDUCATION (SUPPLEMENTARY ASSISTANCE) AMENDMENT BILL 1999**

### **OUTLINE**

This Bill amends the *Indigenous Education (Supplementary Assistance) Act 1989* (the Act) to give effect to initiatives announced in the 1999-2000 Budget and the Government's announcement on ABSTUDY of 15 December 1998:

- \$126.1 million to maintain the Commonwealth's commitment to Indigenous education through the extension of the Indigenous Education Strategic Initiatives Programme for the period beginning 1 January 2000 and ending 30 June 2001; and
- incorporates the mixed mode course delivery away-from-base element of the ABSTUDY scheme into the Act by providing funding arrangements for education providers delivering ABSTUDY approved courses during 2000.

The Bill also contains provisions which will:

- allow for cost supplementation in respect of funds appropriated under section 13B(8) of the Act for the period 1 January 2000 to 30 June 2001; and
- allow for a consequential amendment to the *Student Assistance Act 1973* to transfer the appropriation of the mixed mode course delivery away-from-base element of the ABSTUDY scheme to the Act.

### **FINANCIAL IMPACT**

Total funding levels for the 2000 programme year under the Act are estimated to be around \$140 million. This level of funding is consistent with previous commitments by the Government to Indigenous education. The changes to the ABSTUDY scheme are cost neutral.

## **NOTES ON CLAUSES**

### **Clause 1 - Short title**

This clause identifies the legislation as the *Indigenous Education (Supplementary Assistance) Amendment Act 1999*.

### **Clause 2 - Commencement**

This clause provides that the Act will commence on the day on which it receives the Royal Assent.

### **Clause 3 - Schedules**

Clause 3 provides that each Act that is specified in a Schedule is amended or repealed as set out in the applicable items in the Schedule.

**AMENDMENT OF THE  
*INDIGENOUS EDUCATION (SUPPLEMENTARY ASSISTANCE) ACT 1989***

**SCHEDULE 1**

**Item 1 – Section 3**

Section 3 of the *Indigenous Education (Supplementary Assistance) Act 1989* (“the Act”) contains definitions used within the Act.

Item 1 inserts a definition of “ABSTUDY approved course” to mean a course that is provided through a mixture of distance education and residential and/or face-to-face education at a VET or Higher Education Institution. This definition also requires that the course is approved as a mixed mode away-from-base course under the ABSTUDY scheme.

**Item 2 – Section 3**

Inserts a definition of “higher education institution” by linking the definition to that provided at section 4 of the *Higher Education Funding Act 1988*.

**Item 3 – Section 3**

Modifies the definition of “permitted payment” by excluding any payments under Division 3 – ie: funding for “ABSTUDY approved courses”.

**Items 4 and 5 – Subsection 9A(1)**

Makes a technical amendment to subsection 9A(1) by omitting “either, or both” and substituting “any one or more”. At the end of the subsection 9A(1) adds a subparagraph to provide for funding for an ABSTUDY approved course.

**Item 6 – Section 9A**

Adds a subsection at the end of section 9A clarifying that if an agreement provides for payment for an ABSTUDY approved course, the amount of the payment is to be calculated under Division 3.

**Item 7 – end of Part 2**

Adds Division 3 -“Funding for ABSTUDY approved courses”, to the end of Part 2 of the Act. This new Division incorporates sections 10L and 10M.

The new section 10L outlines the amount of payments that may be made for ABSTUDY approved courses.

- Subsection 10L(1) enables the Minister to make an agreement with an education provider authorising a payment to the provider. It specifies the payment for an ABSTUDY approved course in the 2000 calendar year if there are Indigenous students enrolled for that year in the course.

- Subsection 10L(2) provides a formula for calculating the amount of payment using the unit cost for the 2000 ABSTUDY approved course multiplied by the number of Indigenous students enrolled in that course.
- Subsection 10L(3) provides a formula for calculation of the unit cost for the 2000 ABSTUDY approved course where funding was provided in the 1998 calendar year in respect of students enrolled in 1998.
- Subsection 10L(4) provides a formula for calculation of the unit cost for the 2000 ABSTUDY approved course where subsection (3) does not apply or the 2000 ABSTUDY approved course was not a ABSTUDY approved course in 1998. In this case, the unit cost for the course is the median of costs calculated under subsection(3).

The new section 10M provides for the Indexation of amounts.

- Subsection 10M(1) gives a formula for the indexation factor for a calendar year. This is comprised of the index number in the recent June quarter over the previous June quarter.
- Subsection 10M(2) requires the indexation factor calculated in subsection (1) to be rounded up or down to 3 places.
- Subsection 10M(3) provides for the calculation of the indexation factor where the Consumer Price Index has been altered.

#### **Item 8 – after section 11**

Inserts a new section 12 entitled “Appropriation for payments made under Division 3 of Part 2” which provides that payments made under this Division must be made out of the Consolidated Revenue Fund.

#### **Item 9 – at the end of section 13B**

Adds a new subsection 13B(8) which provides for the appropriation from Consolidated Revenue of \$126,100,000 in respect of the period 1 January 2000 to 30 June 2001.

#### **Item 10 – subsections 13C(1) and (2)**

Makes a technical amendment to subsections 13C(1) and 13C(2) by omitting “or (7)” and substituting “(7) or (8)”. This allows for the cost supplementation of the amount appropriated in section 13B(8).

## **SCHEDULE 2**

### **AMENDMENT OF OTHER ACTS**

#### **Student Assistance Act 1973**

The *Student Assistance Act 1973* is an Act to provide certain benefits to certain students and for other purposes.

#### **Item 1 - At the end of paragraph 55A(1)(c)**

Makes a consequential amendment to the appropriation provision at paragraph 55A(1)(c) by removing ABSTUDY funding for “the away-from-base element of the scheme for mixed mode study” from this Act. This is transferred to the *Indigenous Education (Supplementary Assistance) Act 1989* under Item 9.