

2010-2011

The Parliament of the Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Indigenous Education (Targeted Assistance) Amendment Bill 2011

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for School Education,
Early Childhood and Youth, the Honourable Peter Garrett MP)

Indigenous Education (Targeted Assistance) Amendment Bill 2011

OUTLINE

The purpose of this Bill is to amend the *Indigenous Education (Targeted Assistance) Act 2000* (the IETA Act) funding to include an additional calendar year (2013). Under existing legislative arrangements this funding will be available for expenditure until 30 June 2014.

The Government is conducting a Review of Funding for Schooling, due to report in 2011. While the Review is focused on the mainstream, there may be implications for the design and operation of the closely complementary programs run under the IETA Act. This extension will allow sufficient time for the Government to implement any changes arising from the Review, while also meeting its responsibilities around proper planning, engagement, consultation and change management with Aboriginal and Torres Strait Islander people, communities and funded organisations.

FINANCIAL IMPACT

The total appropriation for the Act in 2013 is included in forward estimates and there is therefore no financial impact.

The Bill provides for the appropriation of \$133.5 million for non-ABSTUDY payments over 2013. This funding amount also includes adjustments to appropriations made as a result of previous decisions of Government, including in relation to the new Federal Financial Arrangements Framework. In accordance with the Government's policy, the legislated figure will be adjusted for price movements. The Bill also provides \$25.5 million for ABSTUDY Away From Base payments. The total appropriation for both components is \$159 million in 2013.

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NOTES ON CLAUSES

Clause 1 - Short title

Clause 1 provides for the Act to be cited as the *Indigenous Education (Targeted Assistance) Amendment Act 2011*.

Clause 2 - Commencement

Clause 2 provides that the *Indigenous Education (Targeted Assistance) Amendment Act 2011* will commence on the day the Act receives the Royal Assent.

Clause 3 - Schedule(s)

Provides that each Act that is specified in a Schedule is amended or repealed as set out in the applicable items in the Schedule and that any other item in a Schedule has effect according to its terms.

For ease of description, this explanatory memorandum uses the following abbreviation:

‘the IETA Act’ means the *Indigenous Education (Targeted Assistance) Act 2000*

‘the HESA Act’ means the *Higher Education Support Act 2003*.

Schedule 1— Amendment of the Indigenous Education (Targeted Assistance) Act 2000

Item 1 – Subsection 3(1)

Item 1 makes a technical amendment to subsection 3(1) of the IETA Act for the purposes of Item 7.

Item 2 - Section 11D

Item 2 repeals section 11D of the IETA Act. Section 11D of the IETA Act provides that each agreement which the Minister makes with an education provider under section 10 must contain a condition requiring each other party to report how the party has advanced (and intends to advance) the objects of IETA Act from funds coming from sources other than the IETA Act for each funding year covered by the agreement. The amendment made by Item 2 shall remove the requirement that education providers must provide reports under section 11D.

Items 3, 4, 5 and 6 - Subsection 14B(1) (table items 1, 2, 3 and 4)

The Australian Government has previously made a number of policy decisions to transfer funding from the IETA Act to other Government programs for implementation. The transfer of these funding amounts has already been reflected in the budget forward estimates. To ensure the IETA Act reflects these decisions, a number of amendments are now required to be made to the appropriations for the current funding quadrennium of 2009 to 2012 set out in the table under subsection 14B(1) of the IETA Act.

Items 3, 4, 5 and 6 insert new figures in the ‘Starting amount’ column of the table under subsection 14B(1) of the IETA Act for each of the respective appropriation periods within the current quadrennium.

Item 3 inserts new table item 1 to provide the Starting amount of \$130,305,000 in respect of the 1 January 2009 to 30 June 2010 appropriation period.

Item 4 inserts new table item 2 to provide the Starting amount of \$126,206,000 in respect of the 1 January 2010 to 30 June 2011 appropriation period.

Item 5 inserts new table item 3 to provide the Starting amount of \$117,200,000 in respect of the 1 January 2011 to 30 June 2012 appropriation period.

Item 6 inserts new table item 4 to provide the Starting amount of \$120,020,000 in respect of the 1 January 2012 to 30 June 2013 appropriation period.

Item 7 - After section 14B

Item 7 inserts new section 14C into the IETA Act. New subsection 14C(1) inserts a new table and provides at table item 1 the Starting amount of \$133,527,000 in respect of the additional appropriation period of 1 January 2013 to 30 June 2014.

Schedule 2—Amendment of the Higher Education Support Act 2003

Item 1 - Subsection 41-45(1) (table items 8 and 9)

The purpose of the amendment made by Item 1 is to transfer \$1.69 million in annual funding in respect of 2012 and 2013 for the Batchelor Institute of Indigenous Tertiary Education from the IETA Act to the Other Grants program under the HESA Act.

Under this amendment, new table items 8 and 9 under subsection 41-45(1) of the HESA Act respectively provide that the maximum payment to be made for Other Grants in respect of the appropriation year 2012 shall be \$2,057,978,000 and in respect of the appropriation year 2013 shall be \$2,181,068,000.