



To **Minister for Skills and Training**

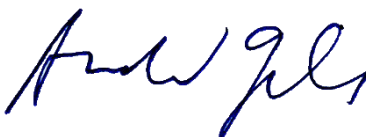
CC **Minister for Employment and Workplace Relations**

Action Required **For Decision**

Approval of the Fee-Free TAFE Bill 2024

Timing Please action by **10am 1 November 2024**. Ministerial approval must be provided by this time in order to introduce the Bill to Parliament in the week commencing 4 November 2024.

Recommendation/s:

1. That you approve the Fee-Free TAFE Bill 2024 at Attachment A .	Approved / Not approved / Please discuss
2. That you approve the Explanatory Memorandum, which includes a Statement of Compatibility with Human Rights, at Attachment B .	Approved / Not approved / Please discuss
Minister Giles 	Date: 1 / 11 /2024
Comments:	

Clearing Officer:	s 22(1)	Assistant Secretary, Fee-Free TAFE and Skills Funding Skills National Skills Reform	Ph: s 22(1) Mob: s 22(1)
Contact Officer:	s 22(1)	A/g Director, Fee-Free TAFE Skills National Skills Reform	Ph: s 22(1)

Executive summary:

1. The Fee-Free TAFE Bill 2024 (the Bill) establishes ongoing financial support to states and territories (states) to deliver Fee-Free TAFE places and is slated for introduction into Parliament on Wednesday 6 November 2024.
2. s 34(3)
3. s 34(3)

4. Your approval is sought to the final text of the Bill at **Attachment A**.
5. Your approval is also sought to the Explanatory Memorandum, which includes the Statement of Compatibility with Human Rights, at **Attachment B**.

Key Points:

6. The Bill will establish an ongoing Commonwealth commitment to a grant of financial assistance to states to deliver Fee-Free TAFE places.
7. The Bill provides that to receive a grant of financial assistance from the Commonwealth, a state must enter into an agreement that includes the terms and conditions on which a grant of financial assistance is to be provided.
 - a. The Bill sets out matters that must be dealt with in the terms and conditions of an agreement, including the number of places, priority cohorts, priority areas of study, financial arrangements and reporting requirements.
 - b. The Bill provides that the Commonwealth will provide financial assistance to a state in accordance with an agreement, by making a grant under section 16 of the *Federal Financial Relations Act 2009*.
8. The Bill also requires that the Skills and Workforce Ministerial Council (SWMC) be consulted with on any proposed changes to the Fee-Free TAFE Act.
9. The object of the Bill is to:
 - a. support the delivery of at least 100,000 Fee-Free TAFE places across Australia each year
 - b. acknowledge that TAFE and other public training institutions are key pillars of the VET sector
 - c. acknowledge the importance of shared stewardship, by the Commonwealth and the states, of the national VET system
 - d. remove financial barriers to education and training, including for people experiencing economic disadvantage, and
 - e. support education and training in areas of high workforce demand, with emerging skills needs or that are otherwise a national or state priority.

Consultation

10. **s 34(3)**
11. **s 47C(1)**
12. Successful delivery of Fee-Free TAFE requires strong partnerships with states, who are responsible for implementation and delivery. **s 47B(a)**

13. s 47B(a)

14. s 47B(a)

, highlighting that the Bill:

- a. acknowledges our shared stewardship
- b. requires that agreements are entered into with states, which will cover implementation details, similar to the current arrangements, and
- c. provides that SMWC must be consulted with on any amendments to the Fee-Free TAFE Act.

Public Sensitivities:

15. Nil. Fee-Free TAFE has been well-received by the community, with over 500,000 enrolments in Fee-Free TAFE courses since 1 January 2023 to 30 June 2024.

Consultation: Yes

16. Consultation has been undertaken internally with the Corporate and Legislation and Skills Advice teams of the Program Advice and Corporate Law Branch.

17. Consultation across the Commonwealth has been undertaken the Department of the Prime Minister and Cabinet, and the Treasury. s 42(1)

Legal advice / Legislative impacts:

18. If the Bill passes Parliament, it will create a new Fee-Free TAFE Act.

Financial impacts:

19. The ongoing Fee-Free TAFE program will have an indicative negative financial impact of \$253.7 million over the forward estimates s 47C(1)

There is no financial impact resulting from the Bill itself (**Attachment B** refers).

Background:

20. s 34(3)

21. s 47C(1)

22. s 47B(a)

23. s 34(3)

24. s 34(3)

Fee-Free TAFE

25. Fee-Free TAFE removes financial barriers to study and bolsters the supply of skilled workers in priority industries experiencing workforce shortages, including the Net Zero transformation, the care economy, and housing supply.
26. Fee-Free TAFE places are targeted towards priority cohorts including the unemployed, youth, women, First Nations people, those with disability and certain categories of visa holders.

Stakeholder Implications:

27. It is anticipated that a Fee-Free TAFE Act will have positive implications for students, communities, VET educators and trainers, industry and states through will providing certainty around cost-of-living relief and the pipeline of skilled workers.

Attachments:

- A:** Fee-Free TAFE Bill 2024
- B:** Explanatory Memorandum with Statement of Compatibility with Human Rights

2022-2023-2024

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

Fee-Free TAFE Bill 2024

No. , 2024

(Skills and Training)

A Bill for an Act relating to financial assistance to the States, the Australian Capital Territory and the Northern Territory in connection with the provision of Fee-Free TAFE and vocational education and training places, and for related purposes

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OPC drafter to complete	
1. Does this Bill need a message? (See H of R Practice, sixth ed, pp. 423-427, and OGC advice.) If yes: <ul style="list-style-type: none"> List relevant clauses/items—section ^6 via section 80 PGPA Act (because Federation Reform Fund is a special account) Prepare message advice (see Drafting Direction 4.9) Give a copy of the message advice to the Legislation area. 	Yes
2. Does this Bill need a notice? (See H of R Standing Order 178 and Drafting Direction 3.2.) If no list relevant clauses/items—	Yes
3. Is there any constitutional reason why this Bill should not be introduced in the Senate? (See Constitution sections 53 and 55 and Drafting Direction 3.2.)	Yes

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A Bill for an Act relating to financial assistance to the States, the Australian Capital Territory and the Northern Territory in connection with the provision of Fee-Free TAFE and vocational education and training places, and for related purposes

8

Preamble

9

The Parliament of Australia acknowledges the following matters.

10

11

12

13

High quality vocational education and training (VET) is vital to Australia's future, producing the knowledge and skills to position Australia as an economically prosperous, socially equitable and environmentally sustainable democracy.

14

15

16

All Australian governments are committed to building a high-performing and world-class VET sector, a system in which training is accessible to Australians from all walks of life,

Part 1 PreliminarySection ^{^1}

- 1 supporting students to succeed and supporting all Australians to
2 train, upskill and retrain.
- 3 A well-resourced and supported public TAFE network is at the
4 heart of a high-quality, responsive and accessible national VET
5 sector.
- 6 Embedding Fee-Free TAFE as an enduring feature of the VET
7 system highlights the importance of VET in skilling the Australian
8 workforce and the ongoing work required in elevating VET to
9 provide opportunities for Australians to be skilled in industries of
10 national importance. With a focus on priority cohorts, it also helps
11 make training accessible to Australians who experience social and
12 economic exclusion.
- 13 An ongoing commitment to Fee-Free TAFE provides certainty of
14 investment to students, the VET sector, States and Territories and
15 industry.
- 16 In its role as a national policy leader, the Australian Government
17 will work collaboratively with States and Territories to deliver
18 Fee-Free TAFE and a strong and sustainable VET system.

19 The Parliament of Australia enacts:

20 **Part 1—Preliminary**
21

22 **^{^1} Short title**

23 This Act is the *Fee-Free TAFE Act 2024*.

24 **^{^2} Commencement**

- 25 (1) Each provision of this Act specified in column 1 of the table
26 commences, or is taken to have commenced, in accordance with
27 column 2 of the table. Any other statement in column 2 has effect
28 according to its terms.
29

Section ^3

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	The day after this Act receives the Royal Assent.	

1 Note: This table relates only to the provisions of this Act as originally
2 enacted. It will not be amended to deal with any later amendments of
3 this Act.

4 (2) Any information in column 3 of the table is not part of this Act.
5 Information may be inserted in this column, or information in it
6 may be edited, in any published version of this Act.

^3 Object

8 The object of this Act is to provide for ongoing financial support to
9 the States for the delivery of FFT places and, in doing so:

- 10 (a) support the delivery of at least 100,000 FFT places across
11 Australia each year; and
12 (b) acknowledge that TAFE and other public training institutions
13 are key pillars of the VET sector; and
14 (c) acknowledge the importance of shared stewardship, by the
15 Commonwealth and the States, of the national VET system;
16 and
17 (d) remove financial barriers to education and training, including
18 for people experiencing economic disadvantage; and
19 (e) support education and training in areas of high workforce
20 demand, with emerging skills needs or that are otherwise a
21 national or State priority.

^4 Simplified outline of this Act

23 This Act provides for ongoing financial support to the States for
24 the delivery of FFT places.

Part 1 Preliminary

Section ^5

1	If a State is a party to an FFT agreement, the Commonwealth is to
2	make a grant of financial assistance under section 16 of the
3	<i>Federal Financial Relations Act 2009</i> for the purpose of making
4	payments in accordance with the FFT agreement.
5	The financial assistance must be spent in accordance with the FFT
6	agreement and is subject to any other terms and conditions set out
7	in the FFT agreement.
8	Part 3 sets out what is an FFT agreement and the key matters to be
9	dealt with in FFT agreements.
10	Part 4 deals with other matters, such as the requirement for the
11	Minister to consult the Ministerial Council before seeking to
12	amend this Act.

13 ^5 Definitions

14 In this Act:

15 ***FFT*** is short for Fee-Free TAFE.

16 ***FFT agreement***: see section ^7.

17 ***FFT place*** means a fee-free place in a course at a TAFE institution
18 or a course provided by another VET provider.

19 Note: An FFT place may not be free of all fees. The fees covered will
20 depend on the terms and conditions of the relevant FFT agreement.

21 ***Ministerial Council*** means a body (however described) that
22 consists of the Minister of the Commonwealth, and the Minister of
23 each State, who is responsible, or principally responsible, for
24 matters relating to skills and training.

25 ***rules*** means rules made under section ^11.

26 ***State*** includes the Australian Capital Territory and the Northern
27 Territory.

28 ***TAFE*** means technical and further education.

1

VET means vocational education and training.

Part 2 Financial assistance for FFT placesSection ^6

Part 2—Financial assistance for FFT places**^6 Grants of financial assistance***Scope*

- (1) This section applies to a State if the State is a party to an FFT agreement.

Grant of financial assistance

- (2) The Commonwealth is to make a grant of financial assistance under section 16 of the *Federal Financial Relations Act 2009* for the purpose of making payments to the State in accordance with the FFT agreement.

Note: Under section 16 of the *Federal Financial Relations Act 2009*, grants of financial assistance can be made to a State to support the delivery by the State of specified outputs or projects.

Terms and conditions of grant

- (3) The financial assistance is payable to the State on condition that the financial assistance is spent in accordance with the FFT agreement.
- (4) The financial assistance payable to the State is subject to such additional terms and conditions (if any) as are set out in the FFT agreement.

Interaction with the Federal Financial Relations Act 2009

- (5) Except as provided by subsections (2) to (4), nothing in this section is intended to limit the operation of the *Federal Financial Relations Act 2009*.

Part 3—FFT agreements

^7 FFT agreements

An *FFT agreement* is an agreement, as amended from time to time, that:

- (a) is entered into, and in force, between the Commonwealth and one or more States; and
- (b) sets out the terms and conditions on which financial assistance is to be provided to the States for the purpose of the delivery of FFT places; and
- (c) relates to the delivery of FFT places during the calendar year starting on 1 January 2027, or a later calendar year; and
- (d) is expressed to be an FFT agreement for the purposes of this Act.

^8 Key matters to be dealt with in FFT agreements

- (1) Without limiting paragraph ^7(b), the terms and conditions of an FFT agreement with a State must deal with the following matters:
 - (a) the period of the FFT agreement;
 - (b) the areas of study, or the industries, that are a national or State priority for FFT places to be offered in;
 - (c) the number of FFT places that are to be offered in the State;
 - (d) the calendar year, or years, during which the FFT places are to be offered;
 - (e) the groups that are to be prioritised for access to the FFT places;
 - (f) the amount of financial assistance that is to be provided to the State and a schedule of payments;
 - (g) performance milestones;
 - (h) the proportion of the financial assistance that is to be provided to:
 - (i) TAFE institutions; and

Part 3 FFT agreements

Section ^8

- 1 (ii) other VET providers;
- 2 (i) the VET providers, or classes of VET providers, eligible to
- 3 receive funding for the FFT places;
- 4 (j) arrangements for reviewing and evaluating the agreement;
- 5 (k) a process for varying the agreement;
- 6 (l) a requirement for the State to provide the Commonwealth
- 7 with information about:
- 8 (i) the total amount of funding provided for FFT places in
- 9 the State; and
- 10 (ii) the amount of funding provided by the Commonwealth
- 11 for the FFT places in the State; and
- 12 (iii) the courses in which the FFT places are being offered;
- 13 and
- 14 (iv) the number of persons enrolled in an FFT place in those
- 15 courses; and
- 16 (v) of the persons enrolled in an FFT place in those
- 17 courses—the number of persons who completed the
- 18 course; and
- 19 (vi) if the agreement identifies groups that are to be
- 20 prioritised for access to the FFT places—the number of
- 21 persons enrolled in an FFT place who are in an
- 22 identified group;
- 23 (m) requirements relating to the form, manner and period within
- 24 which the information mentioned in paragraph (l) is to be
- 25 provided.
- 26 (2) An FFT agreement is not invalid merely because it does not deal
- 27 with one or more of the matters mentioned in paragraphs (1)(a) to
- 28 (k).

Part 4—Other matters

^9 Consultation with Ministerial Council

(1) The Minister must consult the Ministerial Council if the Minister proposes to introduce a Bill for an Act that amends this Act into a House of the Parliament.

(2) If the Minister introduces a Bill for an Act that amends this Act into a House of the Parliament, the Minister must also table in that House a report setting out what consultation has taken place.

^10 Act does not limit power to make other grants of financial assistance

This Act does not limit the Commonwealth's power to make other grants of financial assistance to the States in respect of FFT places.

^11 Rules

(1) The Minister may, by legislative instrument, make rules prescribing matters:

- (a) required or permitted by this Act to be prescribed by the rules; or
- (b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) To avoid doubt, the rules may not do the following:

- (a) create an offence or civil penalty;
- (b) provide powers of:
 - (i) arrest or detention; or
 - (ii) entry, search or seizure;
- (c) impose a tax;
- (d) set an amount to be appropriated from the Consolidated Revenue Fund under an appropriation in this Act;
- (e) directly amend the text of this Act.

2022-2023-2024

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

FEE-FREE TAFE BILL 2024

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Skills and Training,
the Hon Andrew Giles MP)

OUTLINE3

FINANCIAL IMPACT STATEMENT3

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS.....4

NOTES ON CLAUSES6

FEE-FREE TAFE BILL 2024

OUTLINE

The Fee-Free TAFE Bill 2024 establishes an ongoing commitment by the Commonwealth to a grant of financial assistance to states and territories (the States) to deliver Fee-Free TAFE places in areas of local and national priority. This is subject to a state or territory entering into an agreement that sets out the terms and conditions on which a grant of financial assistance by the Commonwealth is to be provided.

With TAFE at the heart of the vocational education and training (VET) sector, Fee-Free TAFE supports Australians to acquire the skills and capabilities they need to obtain well paid, secure jobs, and ensures Australia has the skilled workforce it needs now and into the future. It reduces the cost-of-living and the debt that people can carry over their adult lives.

The Fee-Free TAFE Bill 2024 also acknowledges, in the Preamble and the object provision, the importance of TAFE and other public training institutions, and the commitment by the Commonwealth and the States to shared stewardship of the national VET system.

FINANCIAL IMPACT STATEMENT

There is no financial impact resulting from the Fee-Free TAFE Bill 2024.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011***Fee-Free TAFE Bill 2024**

1. The Fee-Free TAFE Bill 204 (the Bill) is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Bill

2. The purpose of the Bill is to provide for ongoing financial support to the states and territories (the States) for the delivery of Fee-Free TAFE and vocational education and training (VET) places (FFT places).
3. The Bill acknowledges, in the Preamble and the object provision, the importance of TAFE and other public training institutions to the VET sector, and the importance of shared stewardship by the Commonwealth and the States of the national VET system.
4. The Bill removes financial barriers to education and training, including for people experiencing economic disadvantage, and supports education and training in areas of high workforce demand with emerging skills needs that are otherwise a national or State priority.
5. The Bill will secure the benefits of Fee-Free TAFE as an ongoing measure and signal to potential students, the VET sector and employers that Fee-Free TAFE will be an enduring part of the national VET system.

Human rights implications

6. The definition of ‘human rights’ in *the Human Rights (Parliamentary Scrutiny) Act 2011* relates to the core seven United Nations human rights treaties. The Bill engages the following rights:
 - the right to work in Article 6, read with Article 2, of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR), and
 - the right to education in Article 13, read with Article 2, of the ICESCR.

Right to work

7. Article 2(1) of the ICESCR states that each State Party undertakes to take steps to the maximum of its available resources, with a view to achieving progressively the full realisation of the rights recognised in the ICESCR by all appropriate means, including particularly the adoption of legislative measures.

8. The Bill engages the right to work contained in Article 6 of the ICESCR. Article 6(1) recognises the right to work, which includes the right to the opportunity to gain a living by work which a person freely chooses or accepts. Article 6(2) states that the steps to be taken shall include technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual.
9. By providing for ongoing financial support to the States for the delivery of FFT places, the Bill promotes the right to work through providing technical and vocational education that will assist people to attain employment both in the Australian workforce generally and in areas of high workforce demand with emerging skills needs or that are otherwise a national or State priority.

Right to education

10. The Bill engages the right to education contained in Article 13 of the ICESCR. Article 13(2)(b) states that secondary education, including technical and vocational secondary education, shall be made generally available and accessible to all by every appropriate means, and in particular by the progressive introduction of free education.
11. By providing for ongoing financial support to the States for the delivery of FFT places, the Bill promotes the right to education because it enables people, including people experiencing economic disadvantage, to access technical and vocational secondary education and do so without having to pay tuition fees. Many Australians may not have been able to access technical and vocational secondary education without the financial assistance that the Bill provides.

Conclusion

12. The Bill is compatible with human rights because it promotes the protection of human rights and does not limit any human rights.

Minister for Skills and Training, the Hon Andrew Giles MP

FEE-FREE TAFE BILL 2024**NOTES ON CLAUSES**

In these notes on clauses, the following abbreviations are used:

Act	<i>Fee-Free TAFE Act 2024</i>
Acts Interpretation Act	<i>Acts Interpretation Act 1901</i>
Bill	Fee-Free TAFE Bill 2024
FFT agreement	Fee-Free TAFE agreement
FFT place	a fee-free place in a course at a TAFE institution or a course provided by another VET provider
Ministerial Council	a body that consists of the Minister of the Commonwealth, and the Minister of each State, who is responsible, or principally responsible, for matters relating to skills and training
State	a State of the Commonwealth and the Australian Capital Territory and the Northern Territory
TAFE	technical and further education
VET	vocational education and training

Part 1 – Preliminary**Clause 1: Short title**

13. This clause provides that, once enacted, the short title of this Act is the *Fee-Free TAFE Act 2024*.

Clause 2: Commencement

14. The table in subclause 2(1) provides that the whole of the Bill commences on the day after the Bill receives the Royal Assent.

15. A note to the table in subclause 2(1) provides that the table relates only to the provisions of the Act as originally enacted, and that it will not be amended to deal with any later amendments of this Act.

16. Subclause 2(2) provides that information in column 3 of the table at subclause 2(1) is not a part of this Bill, and information may be inserted in this column, or information in it may be edited, in any published version of this Bill.

Clause 3: Object

17. This clause provides that the object of this Bill is to provide for ongoing financial support to the States for the delivery of FFT places and, in doing so the Bill:

- supports the delivery of 100,000 FFT places across Australia each year
- acknowledges that TAFE and other public training institutions are key pillars of the VET sector
- acknowledges the importance of shared stewardship by the Commonwealth and the States, of the national VET system
- removes financial barriers to education and training, including for people experiencing economic disadvantage, and
- supports education and training in areas of high workforce demand, with emerging skills needs or that are otherwise a national or State priority.

18. The substantive provisions in the Bill should be read in light of these objectives.

Clause 4: Simplified outline of this Act

19. This clause sets out a simplified outline of the Bill.

20. While this simplified outline is included to assist readers to understand the substantive provisions of the Bill, it is not intended to be comprehensive. It is intended that readers should rely on the substantive provisions of the Bill.

Clause 5: Definitions

21. This clause contains key definitions of the terms and expressions used in the Bill. Some of the definitions, such as the definition for 'FFT agreement' and the definition for 'rules', direct readers to specific clauses in the Bill which deal with the meaning of those terms.

22. Where a word is not defined, readers should rely on its ordinary meaning, when read in the context of the provisions for which it appears as well as the Bill more broadly.

23. Key definitions from this clause are explained below in alphabetical order.

24. The definition of 'FFT place' is set out in this clause to mean a fee free place in a course at a TAFE institution or a course provided by another VET provider. A note underneath the definition clarifies that an FFT place may not be free of all fees, and the fees covered will depend on the terms and conditions of the relevant FFT agreement.

25. The definition of 'State' in this clause should be read in conjunction with the definition in section 2B of the Acts Interpretation Act, which defines 'State' to mean a State of the Commonwealth.

Part 2 – Financial assistance for fee-free TAFE and vocational education places

Clause 6: Grants of financial assistance

26. Subclause 6(1) provides that clause 6 applies to a State if the State is a party to an FFT agreement. The term 'FFT agreement' is defined in clause 7.
27. Subclause 6(2) requires the Commonwealth to provide financial assistance via the making of a grant under section 16 of the *Federal Financial Relations Act 2009* for the purpose of making payments to a State in accordance with an FFT agreement.
28. The note under subclause 6(2) refers to section 16 of the *Federal Financial Relations Act 2009*, which specifies that grants of financial assistance can be made to a State to support the delivery by the State of specified outputs or projects.
29. Subclauses 6(3) and (4) set out the terms and conditions on which a grant of financial assistance will be made to a State by the Commonwealth. A State must comply with these terms and conditions to receive the financial assistance.
30. Subclause 6(3) provides that the financial assistance is payable to the State on condition that the financial assistance is spent in accordance with the FFT agreement. The intention of this subsection is to ensure that States use the financial assistance they receive as contemplated by and in accordance with the FFT agreement, and not in any other manner.
31. Subclause 6(4) provides that the financial assistance payable to the State is subject to such additional terms and conditions (if any) as are set out in the FFT agreement. While clause 8 of the Bill sets out a number of key matters that must be dealt with in an FFT agreement, the Bill does not prescribe the details of these terms and conditions. These details will instead be agreed between the Commonwealth and a State and set out in an FFT agreement.
32. Subclause 6(5) provides that nothing in clause 6 is intended to limit the operation of the *Federal Financial Relations Act 2009* except as provided by subclauses (2) to (4).

Part 3 – FFT agreements

Clause 7: FFT agreements

33. Clause 7 provides that an FFT agreement is an agreement that is:
- entered into, and in force between the Commonwealth and one or more States

- sets out the terms and conditions on which financial assistance is to be provided to the States for the purpose of delivery of FFT places
- relates to the delivery of FFT places during the calendar year starting on 1 January 2027 or a later calendar year, and
- is expressed to be an FFT agreement for the purposes of the Act.

34. If an agreement does not meet the requirements in clause 7 it is not an FFT agreement for the purposes of the Act.

Clause 8: Key matters to be dealt with in FFT agreements

35. Subclause 8(1) sets out the matters that must be dealt with in an FFT agreement, without limiting paragraph 7(b).

36. Paragraphs 8(1)(a) to 8(1)(k) provide that the terms and conditions of an FFT agreement must deal with:

- the period of the FFT agreement
- the areas of study, or the industries, that are a national or State priority for FFT places to be offered in
- the number of FFT places that are to be offered in the State
- the calendar year, or years, during which the FFT places are to be offered
- the groups that are to be prioritised for access to the FFT places
- the amount of financial assistance that is to be provided to the State and a schedule of payments
- performance milestones
- the proportion of the financial assistance that is to be provided to:
 - TAFE institutions, and
 - other VET providers
- the VET providers, or classes of VET providers, eligible to receive funding for the FFT places
- arrangements for reviewing and evaluating the agreement, and
- a process for varying the agreement.

37. Paragraph 8(1)(l) provides that the terms and conditions of an FFT agreement must deal with a requirement for the State to provide the Commonwealth with information about:

- the total amount of funding provided for FFT places in the State

Notes on Clauses

- the amount of funding provided by the Commonwealth for the FFT places in the State
- the courses in which the FFT places are being offered
- the number of persons enrolled in an FFT place in those courses
- of the persons enrolled in an FFT place in those courses—the number of persons who completed the course, and
- if the agreement identifies groups that are to be prioritised for access to the FFT places—the number of persons enrolled in an FFT place who are in an identified group.

38. Paragraph 8(1)(m) provides that the terms and conditions of an FFT agreement must deal with requirements about the form, manner and period within which the information mentioned in paragraph (l) is to be provided.

39. Subclause 8(2) provides that an FFT agreement is not invalid merely because it does not deal with one or more of the matters mentioned in paragraphs 8(1)(a) to (k). If an FFT agreement does not include the information requirements specified in paragraph 8(1)(l) or paragraph 8(1)(m), it may be invalid.

Part 4 – Other matters

Clause 9: Consultation with Ministerial Council

40. Subclause 9(1) provides that the Minister must consult the Ministerial Council on any proposed amendments to the Act. 'Ministerial Council' is defined in clause 5 to mean a body that consists of the Minister of the Commonwealth, and the Minister of each State, who are responsible or principally responsible for matters relating to skills and training.
41. Subclause 9(2) provides that, if the Minister introduces a Bill to amend the Act the Minister must also table a report setting out what consultation has taken place about the amendment in the relevant House of Parliament.
42. The requirements in clause 9 are intended to promote national cooperation and stewardship across the VET system by requiring consultation with the Ministerial Council.

Clause 10: Act does not limit power to make other grants of financial assistance

43. This clause provides that the Bill does not limit the Commonwealth's power to make other grants of financial assistance to the States in respect of FFT places.
44. The intention of this clause will be to clarify that the Commonwealth is able to make other grants relating to Fee-Free TAFE using other mechanisms.

Clause 11: Rules

45. This clause provides the Minister a discretionary power to, by legislative instrument, make rules. These rules can prescribe matters that are required or permitted by the Bill

to be prescribed by the rules, or that are necessary or convenient to be prescribed to carry out or give effect to the Bill.

46. Subclause 10(2) limits the Minister's rule-making power by setting out an exhaustive list of matters that the rules may not deal with.