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States Grants (Primary and Secondary Education
Assistance) Amendment Bill 2002

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I N F O R M A T I O N A N D R E S E A R C H S E R V I C E S

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No. 77 2001-02

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18 February 2002

Contents

Purpose	1
Background	1
Main Provisions	2
Endnotes.	2

States Grants (Primary and Secondary Education Assistance) Amendment Bill 2002

Date Introduced: 14 February 2002

House: House of Representatives

Portfolio: Education, Science and Training

Commencement: Royal Assent

Purpose

The Bill will amend the *States Grants (Primary and Secondary Education Assistance) Act 2000* (the current Act) to alter the provisions for the granting of establishment assistance to new non-government schools.

Background

Establishment assistance for new non-government schools was introduced under section 75 of the current Act. The purpose of this assistance, as stated by the then Minister for Education, Training and Youth Affairs, is 'to assist new non-government schools with the costs incurred in their formative years and to enable them to be competitive with existing schools'.¹

Last year the Government twice introduced amending legislation to adjust shortfalls in the original estimates for establishment grants. Both times the legislation failed to pass, primarily because of concerns about the eligibility and accountability criteria for the grants, and the issue of equity with government schools. [Bills Digest No. 30 2001-02](#) provides the background to the policy and issues current at the time of this earlier debate.

The earlier bills sought to increase the total amount available for establishment assistance by amending Schedule 7 of the current Act. This Bill proposes that a new section 75 be inserted and Schedule 7 be repealed, thereby providing that establishment assistance be paid on a similar basis to General Recurrent Grants, ie. as a standing per capita appropriation rather than as a special appropriation set by ministerial determination. This will ensure that there is always sufficient funds to meet the demands for establishment assistance.

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

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

In his [second reading speech to the Bill](#), the Minister for Education, Science and Training estimates that as a result of the proposed changes establishment assistance will increase by \$6.9 million to \$11.9 million for the 2001-2004 funding period. This compares to a proposed increase of \$9.5 million to a total of \$14.3 million under the earlier Bills.

Failure to pass the earlier legislation has meant that new non-government schools were not paid their full 2001 entitlement. The Minister claims that this has created particular hardship for those new non-government schools from low socioeconomic areas².

Main Provisions

Schedule 1, Part 1

Item 1 repeals section 75 of the current Act and substitutes a new section.

New subsections 75 (1) and (2) provide that the Minister may authorise payment of establishment assistance to new independent and systemic non-government schools.

New subsections 75 (3) and (4) define the circumstances under which non-government schools may be eligible for establishment assistance.

New subsections 75 (5) and (6) provide the formulae, dependent on the circumstances of the school as defined by subsections (3) and (4), for calculating the amount of establishment assistance payable to new non-government schools.

Items 2 and 3 make consequential amendments to section 105 of the current Act.

Item 4 repeals Schedule 7 of the current Act.

Schedule 1, Part 2

Items 5, 6 and 7 provide transitional arrangements for the payment of establishment grants for the 2001 and 2002 program years.

Endnotes

- 1 Dr the Hon D. Kemp, House of Representatives, *Debates*, 6 September 2000, Second Reading Speech.
- 2 Dr the Hon B Nelson, 'Labor has another chance to support poor schools', *Media release*, 14 February 2002.

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