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No. 25 2003–04

States Grants (Primary and Secondary Education Assistance) Amendment Bill 2003

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States Grants (Primary and Secondary Education
Assistance) Amendment Bill 2003

Marilyn Harrington
Social Policy Group
4 September 2003

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States Grants (Primary and Secondary Education Assistance) Amendment Bill 2003

Date Introduced: 26 June 2003

House: Representatives

Portfolio: Education, Science and Training

Commencement: Royal Assent

Purpose

The purpose of this Bill is to amend the *States Grants (Primary and Secondary Education Assistance) Act 2000* (the current Act) to provide additional funding for capital grants for non-government schools for the years 2004 to 2007 and additional funding for school literacy and numeracy programs and projects for the years 2003 and 2004.

Background

As part of the 2003–04 Budget the Minister for Education, Science and Training committed a further \$48.2 million for capital grants for non-government schools over four years from 2004 to 2007 and another \$210 million for literacy and numeracy programs.¹ The additional literacy and numeracy funding will be provided over the next four years to 2006–07.

The Bill gives effect to these measures. It provides the additional capital funding for non-government schools for the years 2004 to 2007. It also provides, from the \$210 million additional funding for literacy and numeracy, an additional \$44.6 million for the years 2003 and 2004. The remainder of the additional funding for literacy and numeracy will be provided by future legislation. The explanatory memorandum states that the funding provided by the Bill has no financial impact because it is already provided in the Budget forward estimates.

Capital Grants

Capital grants assist government and non-government school authorities with the provision and upgrading of school infrastructure. This infrastructure includes land,

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buildings, water and electricity, equipment, library materials and cataloguing services, furniture, and residential accommodation for government school students.

According to figures in the 2001 report on financial assistance granted under the current Act, capital grants represent about 6 per cent of total Commonwealth specific purpose payments for schools.² The majority of these grants are allocated to government schools.

From 1996 to 2001 Commonwealth capital grants totalled \$1.85 billion of which 70.5 per cent was allocated to government schools and 29.3 per cent to non-government schools.³ A small percentage of capital grant funds is also allocated to non school organisations for purposes related to the capital grants program. For instance, in 2001 funding was provided for a national survey of non-government schools infrastructure.

From 2004 to 2007 government schools will receive capital grants funding of \$222.3 million each year, per Schedule 3 of the current Act, compared to \$87.4 million per annum for non-government schools. These amounts will also be supplemented over the period in line with movements in non-residential building costs as measured by the Australian Bureau of Statistics.

Since the 1992–93 Budget a series of budget measures have maintained capital funding for non-government schools at existing levels. The Bill gives effect to the latest budget measure. It amends Schedule 5 of the current Act to maintain capital grants for non-government schools at the 2003 level by providing an additional \$48.2 million over four years from 2004 to 2007.

There are a number of issues concerning the quality of schools infrastructure. According to various reports, both government and non-government schools are experiencing problems relating to the state of existing infrastructure.⁴ There are also pressures on infrastructure provision arising from new directions in curriculum and teaching methods.⁵ Another reported problem is the pressure on school communities to fundraise and support capital investment.⁶ These issues are made more significant by research findings which suggest that there is a correlation between the quality of school infrastructure and educational outcomes.⁷

Literacy and Numeracy

Policy Background

Improving literacy and numeracy achievement is an ongoing educational priority of Commonwealth, State and Territory governments. National literacy and numeracy goals have been agreed to by education ministers as well as the implementation of a National Literacy and Numeracy Plan, the latter including the development of national benchmarks for Years 3, 5, 7 and 9, against which student progress is now being assessed.⁸

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The Bill makes additional provision for literacy and numeracy programs, including:

- An additional \$33.79 million for the Strategic Assistance for Improving Student Outcomes (SAISO) Programme for 2004; and
- Additional funding for the National Literacy and Numeracy Strategies and Projects Programme of \$3.46 million for 2003 and \$7.41 million in 2004.

The SAISO Programme aims to improve the learning outcomes of educationally disadvantaged students, particularly in literacy and numeracy, and the educational participation and outcomes of students with disabilities. The National Literacy and Numeracy Strategies and Projects Programme focuses on projects in the areas of the early and middle years of schooling; the links between literacy, numeracy and general or vocational pathways in the post compulsory years; and national strategic and research and development regarding literacy and numeracy for educationally disadvantaged students.⁹

Literacy and Numeracy Outcomes

All States and Territories are now testing and reporting against national reading and numeracy benchmarks and the results are progressively being published through the *National Report on Schooling*.¹⁰ At the July 2003 meeting of the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) all education ministers also agreed in principle to reporting to parents their children's performance against the national benchmarks.¹¹

On average the performance of Year 3 and 5 students against the national reading benchmarks in 2000 was higher than the 1999 results, although the Year 5 average performance was somewhat lower than that for Year 3. The *National Report on Schooling* does caution however that there is not yet sufficient evidence from these results to make judgements about improvements in standards.¹²

Internationally the mean performance of 15 year old Australian students in the OECD's Program for International Student Assessment (PISA) project ranks amongst the highest of OECD countries.¹³ The most recent PISA results indicate that Australia's mean performance for reading literacy is the fourth highest among OECD countries with only Finland having a result that is significantly higher. Australia's mean performance on the mathematical literacy scale ranks sixth with only Hong Kong and Japan significantly higher and, on the scientific literacy scale, Australia ranks eighth with only Korea and Japan significantly higher.¹⁴

While these national and international results are encouraging, the performance of some students remains a concern, particularly the performance of indigenous students. The national benchmarking results reveal that in 2000 on average 92.7 per cent of Year 3 students and 89.6 per cent of Year 5 students were achieving the numeracy benchmark compared to 73.7 and 62.8 per cent of indigenous students in these year groups. For

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reading the results were similar with 89.7 per cent of Year 3 students and 87.4 per cent of Year 5 students achieving the benchmark in 2000 compared to 73.4 and 76.9 per cent of indigenous students in these year groups.¹⁵

The PISA results reinforce concerns about the performance of indigenous students and other groups of students, including boys, and students from low socioeconomic backgrounds, rural areas, and language backgrounds other than English (LBOTE). The results indicate the performance differences of these students are more pronounced in relation to reading literacy than scientific and mathematical literacy.

In the case of the national benchmarking results, the gender differences in numeracy achievement are negligible but the differences, as with the PISA results, become greater in relation to reading. The national benchmarking reading results for LBOTE students are on a par with the national average but in relation to numeracy LBOTE students perform slightly less well.

To date, data relating to socioeconomic background and performance against the national benchmarks is not available. However the *National Report on Schooling* does suggest, in analysing the PISA results, that 'we may not be catering as well as we might for our lower achieving students' given that Australia has one of the largest spreads in the middle half of the score range for reading, and also taking into account those 3 per cent of students who scored in the lowest range.¹⁶

Main Provisions

Item 1 of Schedule 1 amends Schedule 5 of the current Act by increasing capital grants for non-government schools for 2004 to 2007 from \$76 940 000 to \$87 400 000 per annum.

Item 2 of Schedule 1 amends Column 4 of Part 1 of Schedule 8 of the current Act and increases the grants to foster literacy and numeracy for 2003 from \$4 292 000 to \$7 750 000.

Item 3 of Schedule 1 amends Column 2 of Part 1 of Schedule 8 of the current Act and increases grants for strategic assistance for 2004 from \$258 164 000 to \$291 954 000.

Item 4 of Schedule 1 amends Column 4 of Part 1 of Schedule 8 of the current Act and provides \$7 414 000 for grants to foster literacy and numeracy in 2004.

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Endnotes

- 1 The Hon. Dr Brendan Nelson, '[A better future for all Australians – record funding for education, science and training](#)', *Media Release*, 13 May 2003.
- 2 Department of Education, Science and Training, *States Grants (Primary and Secondary Education Assistance) Act 2000: Report on Financial Assistance Granted to each State in Respect of 2001*, Canberra, 2002.
- 3 Department of Education, Science and Training, *States Grants (Primary and Secondary Education Assistance) Act ...: Report on Financial Assistance Granted to each State in Respect of (various years)*, DEST, Canberra. (Title varies.)
- 4 See, for instance, Department of Education, Science and Training, '[Taking Stock: Report of the Survey of Non-Government Schools Infrastructure in Australia 2000/2001](#)', Canberra, 2002.; and Gerard Noonan, '[Students and teachers work in sub-standard rooms: report](#)', *Sydney Morning Herald*, 24 July 2002, (for more detail see [Chapter 6 of the Second Final Report of the Vinson Inquiry into the Provision of Education in New South Wales](#)).
- 5 See K. Fisher, '[Design for learning in the knowledge age](#)', *Educare News*, no. 137, 2003, pp. 15–17 and S. Holden, '[Schools by design](#)', *Educare News*, no. 137, 2003, pp. 6–8, 10–14.
- 6 J. Baird and B. Delaney, '[Parents prop up schools with millions](#)', *Sydney Morning Herald*, 30 July 2001.
- 7 For example, see '[School architecture can make a difference](#)', *The Practising Administrator*, vol. 25, no. 1, 2003, p. 2, and PricewaterhouseCoopers, '[Building performance: an empirical assessment of the relationship between schools capital investment and pupil performance](#)', *Research Report (Great Britain. Department for Education and Employment)*, no. 407, 2003.
- 8 A decision on the Year 9 benchmarks has been deferred pending the results from the OECD's Programme for International Student Assessment (PISA).
- 9 For further information about these programs see Department of Education, Science and Training, '[Commonwealth Programmes for Schools Quadrennial Administrative Guidelines 2001 to 2004](#)', Canberra, 2003.
- 10 For further information about the Commonwealth's role in literacy and numeracy programs see the Department of Education, Science and Training's literacy and numeracy website at <http://www.dest.gov.au/schools/Literacy&Numeracy/index.htm>.
- 11 The Hon. Dr Brendan Nelson, '[All States and Territories agree to nationally consistent reporting to parents](#)', *Media Release*, 11 July 2003
- 12 Ministerial Council on Education, Employment, Training and Youth Affairs, '[National Report on Schooling in Australia 2000](#)', Curriculum Corporation for MCEETYA, pp. 49 and 83-86.
- 13 PISA is a large scale international assessment of the skills and knowledge of 15 year olds which assesses their performance in reading, mathematical and scientific literacy. The cycle of assessments commenced in 2000 and is scheduled to proceed at three yearly intervals. For further information see website at <http://www.pisa.oecd.org/>.

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- 14 Organisation for Economic Co-operation and Development, Programme for International Student Assessment, *Literacy Skills for the World of Tomorrow: Further Results from PISA 2000*, OECD and UNESCO Institute for Statistics, 2003.
- 15 For further information see Ministerial Council on Education, Employment, Training and Youth Affairs, [op. cit.](#), chapters 6 and 7.
- 16 [Ibid.](#), p. 40.

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