



**This is a new edition of a Bills Digest (no. 7 2004-05) previously prepared for the 40th Parliament**

## **States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004**

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## **States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004**

**Date Introduced:** 17 November 2004

**House:** House of Representatives

**Portfolio:** Education, Science and Training

**Commencement:** For Sections 1 to 3 and Schedule 1, Royal Assent; for Schedule 2, the day on which the *Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004* receives Royal Assent or 1 January 2005, whichever is the later date.<sup>1</sup>

### **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 the Tutorial Credit Initiative which will be implemented in 2005, and to correct a technical defect in the current Act which will enable non-government schools to receive their correct 2004 general recurrent funding entitlement under the socioeconomic status (SES) system.

The bill also repeals the *States Grants (Primary and Secondary Education Assistance) Act 1992* and the *States Grants (Primary and Secondary Education Assistance) Act 1996* which are now redundant.

### **Background**

This Bill was first introduced in the 40<sup>th</sup> Parliament on 23 June 2004. It had passed the House of Representatives but had not yet been dealt with by the Senate when the election was called. It therefore lapsed when Parliament was prorogued. There are some differences from the original bill relating to the Tutorial Credit Initiative.

### **Tutorial Credit Initiative**

On 19 May 2004 the Minister for Education, Science and Training, Dr Brendan Nelson, announced funding of up to \$6.85 million for a pilot Tutorial Credit Initiative.<sup>2</sup> Under this scheme parents who have received information that their child did not achieve the Year 3 minimum national reading benchmark in 2003 will receive a \$700 voucher to purchase additional reading assistance for their child.<sup>3</sup> Originally the Initiative was to operate in terms 3 and 4 of 2004 but with the delay in the passage of the bill it will now be implemented in terms 1 and 2 of 2005.

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The bill provides additional funding of \$11.019 million (up slightly from the previous bill because of the effects of supplementation) for the extension of the Initiative to all states and territories, except Tasmania. Total funding for the Initiative is estimated at \$20.3 million.<sup>4</sup>

At the time of the announcement the tutorial credits were only to be offered in Victoria, Western Australia, the Northern Territory and the ACT because these jurisdictions were currently reporting to parents their child's performance against the national benchmarks. The announcement attracted criticism from the other states partly because it disregarded the decision made in 2003 by all education ministers that children's progress against the national benchmarks would begin to be reported to parents by the end of 2004.<sup>5</sup>

Dr Nelson subsequently wrote to the state education ministers in NSW, Queensland, South Australia and Tasmania and extended the offer to their states provided they reported to parents by 30 June 2004.<sup>6</sup> All of these states except Tasmania agreed to do this and are now included in the Initiative. Non-government school students in Tasmania will be eligible for the vouchers because non-government schools in that state do report to parents their child's performance against the national benchmarks.

Other initial criticisms of the Initiative focused on logistical and pedagogical matters, such as the availability of suitable qualified tutors in all regions, the capacity of some parents to seek assistance for their children, the relationship to school learning generally and the inadequate resourcing of existing remedial reading programs in schools.<sup>7</sup> There have been calls that the money would be better utilised by being directed to schools. The Australian Education Union National Principals Committee for instance argued that the money should be provided to schools to support existing intensive remedial programs such as Reading Recovery which take account of the student's total learning program.<sup>8</sup>

The Australian Labor Party has welcomed the Initiative although critical of the initial process and calling for increased support to schools with high numbers of children with reading difficulties.<sup>9</sup>

#### How the Tutorial Credit Initiative will operate

About 24 200 students will be eligible for the vouchers.<sup>10</sup> According to Dr Nelson the vouchers will pay for about 17 hours of tuition.<sup>11</sup> The vouchers will also cover the costs for student assessment and up to \$50 for the cost of teaching materials which will become the possession of the parent/ caregiver.

Brokers will administer the Initiative on behalf of the government. These brokers will contract the tutors, issue vouchers, and provide advice to parents.

Full details about how the Initiative will operate are provided in the Initiative's [draft Broker/Tutor guidelines](#).<sup>12</sup> The guidelines include information about such matters as the brokers' obligations; tutor requirements and conditions, including qualifications and the

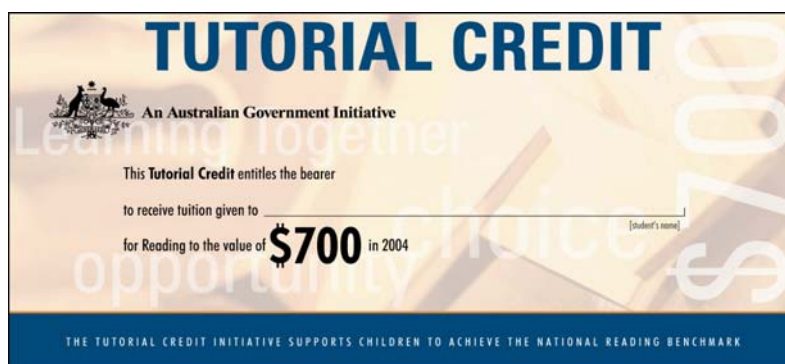
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necessity for police checks; tuition arrangements; requirements for participants and parents/caregivers; and a code of conduct. These guidelines will allay some of the initial concerns about the Initiative's operation.

The Department of Education, Science and Training (DEST) is now engaged in the tender process for brokers.<sup>13</sup>



### Phasing in arrangements for SES funding of non-government schools

The Australian Government's SES system for providing general recurrent grants to non-government schools was introduced in 2001.<sup>14</sup> The implementation arrangements allowed for the funding increases due to schools under the SES system to be phased in from 2001 to 2004 at the rate of 25 per cent of the increase each year, with schools being fully funded at their new SES funding level by 2004.

Another purpose of this bill is to correct a technical fault in the current Act which prevents schools receiving their full SES funding entitlement in 2004. Commonwealth general recurrent funding for schools is indexed each year as Average Government School Recurrent Costs increase. The intention of the phase in arrangements was that each year's increase would be added to the same year's fully indexed funding amount. However as the current Act's methodology statement stands the increase has been added to the 2001 pre-indexed amount and therefore does not deliver the full SES funding entitlement in 2004. According to the Minister's second reading speech for the bill, over '700 non-government schools' are affected.<sup>15</sup>

This measure has no financial impact as the funds are already committed.

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## Main Provisions

**Items 1 to 6 of Schedule 1** correct the technical fault in the current Act relating to the phasing in of the general recurrent funding increases for non-government schools.

**Item 7 of Schedule 1** amends Column 4 of Part 1 of Schedule 8 of the current Act and increases grants to foster literacy and numeracy in 2004 from \$7 414 000 to \$18 433 000, providing the additional funding necessary for the Tutorial Credit Initiative.

**Items 1 and 2 of Schedule 2** repeal the *States Grants (Primary and Secondary Education Assistance) Act 1992* and the *States Grants (Primary and Secondary Education Assistance) Act 1996* which are now redundant.

## Concluding Comments

The debate about literacy levels continues. Most recently attention has turned towards the effectiveness of different methods of reading instruction. Dr Nelson has announced an inquiry into how reading is taught in primary schools, including how teachers are trained to teach reading. The terms of reference for the inquiry are yet to be released.<sup>16</sup>

## Endnotes

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- 1 The provisions do not commence at all if the *Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004* does not receive Royal Assent.
  - 2 B. Nelson (Minister for Education, Science and Training), '\$700 for parents of students falling behind in reading', *Media Release*, 19 May 2004, <http://www.dest.gov.au/Ministers/Media/Nelson/2004/05/n708190504.asp>, accessed on 24 November 2004.
  - 3 National benchmarks in literacy and numeracy for years 3, 5 and 7 were agreed to in 1998 and 2000. The national benchmark reading results for 2003 are not yet published. For the most recent published results (2001) see *2001 National Report on Schooling in Australia Preliminary Paper. National Benchmark Results: Reading, Writing and Numeracy Years 3 and 5*, [http://cms.curriculum.edu.au/anr2001/pdfs/2001\\_benchmarks.pdf](http://cms.curriculum.edu.au/anr2001/pdfs/2001_benchmarks.pdf), accessed on 24 November 2004.
  - 4 B. Nelson (Minister for Education, Science and Training), '\$700 to assist children gain vital reading skills', *Media Release*, 3 July 2004, <http://www.dest.gov.au/Ministers/Media/Nelson/2004/07/n788030704.asp>, accessed on 24 November 2004.
  - 5 This agreement is documented in Ministerial Council on Education, Employment, Training and Youth Affairs, *Information Statement*, 15th MCEETYA Meeting, Perth, 10-11 July 2003, <http://www.mceetya.edu.au/meetings/meet15.htm>, accessed on 24 November 2004.

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- 6 See, for example, B. Nelson (Minister for Education, Science and Training), '\$700 for parents of NSW students falling behind in reading', *Media Release*, 28 May 2004, <http://www.dest.gov.au/Ministers/Media/Nelson/2004/05/nNSW715280504.asp>, accessed on 24 November 2004.
- 7 See, for example, J. Calvert, 'Literacy fears spelt out: tutors may not be qualified', *Herald Sun*, 20 May 2004, [http://parlinfoweb.aph.gov.au/piweb/repository1/media/npaper\\_4/q9kc60.pdf](http://parlinfoweb.aph.gov.au/piweb/repository1/media/npaper_4/q9kc60.pdf), accessed on 24 November 2004.
- 8 Australian Education Union, 'Principals slam Minister's reading voucher', *Media Release*, 29 May 2004, <http://www.aeufederal.org.au/Media/MediaReleases/2004/2805.pdf>, accessed on 24 November 2004.
- 9 J. Macklin (then Shadow Minister for Employment, Education and Training), 'Howard Government follows Labor's lead on children's literacy', media release, 19 May 2004, <http://parlinfoweb.parl.net/parlinfo/Repository1/Media/pressrel/02KC60.pdf>, accessed on 24 November 2004.
- 10 Department of Education, Science and Training, *Request for Tender for the Provision of Brokerage Services for the Pilot Tutorial Credit Initiative*, 2004, p. 7, <http://www.dest.gov.au/schools/tutorialcredit/downloads/tender.pdf>, accessed on 24 November 2004.
- 11 B. Nelson (Minister for Education, Science and Training), 'Interview with Neil Mitchell Radio 3AW – Tutorial Credit Initiative', *Transcript*, 19 May 2004, <http://www.dest.gov.au/Ministers/Media/Nelson/2004/05/n709190504.asp>, accessed on 24 November 2004.
- 12 These guidelines will have to be updated to reflect the new timing of the Initiative's implementation.
- 13 Further information about the Initiative is available on DEST's Tutorial Credit Initiative website, <http://www.dest.gov.au/schools/tutorialcredit/default.htm>, accessed on 24 November 2004.
- 14 For an explanation of the Australian Government's system of general recurrent funding for schools see Marilyn Harrington, *Commonwealth General Recurrent Grants for Schools – A Brief Explanation*, Parliamentary Library, Canberra, [2004], [http://libiis1/Library\\_Services/electoralatlas/SchoolGrants/Explanation.htm](http://libiis1/Library_Services/electoralatlas/SchoolGrants/Explanation.htm), accessed on 24 November 2004.
- 15 Brendan Nelson, Minister for Education, Science and Training, 'Second reading speech: States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004', House of Representatives, *Debates*, 17 November 2004, p. 6.
- 16 Maiden, S., 'Literacy now matter of primary concern', *Australian*, 9 November 2004, [http://parlinfoweb.aph.gov.au/piweb/repository1/media/npaper\\_5/y8de60.pdf](http://parlinfoweb.aph.gov.au/piweb/repository1/media/npaper_5/y8de60.pdf), accessed on 24 November 2004.

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