



Schools Assistance (Learning Together — Achievement Through Choice and Opportunity) Amendment Bill 2006

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Schools Assistance (Learning Together — Achievement Through Choice and Opportunity) Amendment Bill 2006

Date introduced: 16 February 2006

House: House of Representatives

Portfolio: Education, Science and Training

Commencement: For Schedule 1, item 3, immediately after the commencement of Section 36 of the *Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004*; for Schedule 1, items 21, 22, 26, 27, 28, 31 and 34, on a day to be fixed by Proclamation or the first day after six months following Royal Assent if any of these provisions have not commenced during that time; for all other provisions, Royal Assent.

Purpose

The purpose of the bill is to amend the *Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004* (the current Act) to

- provide for a new category of non-government school—‘special assistance school’—under the federal government’s system of general recurrent funding for non-government schools (the SES system) to enable the maximum level of funding for those schools mainly catering for students with social and emotional problems who are at risk of leaving school, and that are *not* currently classified as a special school and therefore receiving maximum general recurrent funding
- redistribute funds for the Investing in our Schools Programme (IOSP) as it applies to government schools, carrying over some 2005 funding and bringing forward 2008 funding to 2006
- reallocate unspent Tutorial Voucher Initiative (TVI) funding from 2004 under the *States Grants (Primary and Secondary Education Assistance) Act 2000* to 2006 for the National Projects element of the Literacy, Numeracy and Special Learning Needs Programme under the current Act to provide assistance to those eligible students who did not receive tuition under the pilot scheme in 2005
- insert a new provision in the current Act to enable the Minister to redistribute program funds between particular years by regulation instead of by legislative amendment
- make a minor technical correction in section 36(4) of the current Act amending the reference from ‘section 20 agreement’ to ‘section 30 agreement’ and
- carry over to 2006 minor unspent 2005 funds for the National Projects element of the Literacy, Numeracy and Special Learning Needs Programme and languages education.

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Background

Special Assistance Schools

Under the SES system of general recurrent funding for non-government schools those schools categorised as ‘special schools’ by state and territory education systems receive the maximum rate of Commonwealth general recurrent funding (currently \$4751 per primary school student and \$6290 per secondary school student).¹ However the definition of a special school is often limited to those schools that cater for students with disabilities, and does not include schools that cater for students with social, emotional and behavioural problems and who are consequently at risk of leaving school early.

The bill creates the new category of ‘special assistance school’ for the purposes of Commonwealth general recurrent funding. At this stage the number of schools entitled to receive additional funding under this proposed category is not known because schools are categorised by state and territory education systems. The Department of Education, Science and Training (DEST) will have to determine which jurisdictions do not include schools that cater for students with social, emotional and behavioural problems in their special schools category, and negotiate with those jurisdictions accordingly. Presumably the affected state and territory education systems may have to amend their procedures for categorising non-government schools.

The cost of this provision is estimated at \$2.3 million over the 2005–2008 schools funding quadrennium. The provision does not include additional funding for government schools.

This provision is a reflection of the findings of considerable research that points to poorer life outcomes for early school leavers. Typically, as noted in a recent Access Economics study, ‘early school leavers receive lower wages than their more skilled counterparts, are less likely to participate in the labour force, and are much more likely to experience periods of unemployment ...’.² The study projects that increasing the proportion of young people completing school or an apprenticeship to 90 per cent by 2010 would increase workforce numbers by 65,000, boost economic productivity, and generate nearly \$10 billion (in today’s money) more for the economy by 2040.³

The findings of the Dusseldorp Skills Forum’s latest survey of young people reports the proportion of young people considered ‘at risk’ has remained unchanged for two decades and reaffirms the plight of early school leavers:

About two-fifths of young people who left school after completing Year 10 (45 percent) or Year 11 (40 percent) were not studying and either unemployed, in part-time work or not in the labour force in May 2004. The corresponding percentage in these activities for young people who completed Year 12 (23 percent) is about half that of other school leavers.⁴

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Investing in our Schools Programme

The bill proposes to shift IOSP funds for government schools between program years, carrying over unspent funds from 2005 to 2006, and bringing forward 2008 funding to 2006. The reason for this proposal relates to the unexpected level of demand for IOSP grants.

The current Act provides \$1 billion for IOSP capital infrastructure grants from 2005 to 2008, (\$700 million for government schools and \$300 million for non-government schools). The grants are intended for small scale infrastructure projects (e.g. library resources, computer facilities, air-conditioning and heating, outdoor areas, sports and play equipment). In 2005 the IOSP grants for government schools were in two rounds. From 2006 all grants will be made on an annual basis.

Similar to the main capital grants program, the IOSP grants to non-government school communities are provided via Block Grant Authorities that submit a list of approved projects to DEST. However the IOSP grants to government schools represent a significant departure from the way most Commonwealth grants to government schools are delivered. DEST directly assesses the grant applications and administers the grants, making the payments direct to school communities. State and territory education departments are not involved in the IOSP process.

The IOSP created an unanticipated level of demand causing delay in the processing and assessment of applications, particularly for government schools. Originally it was expected that Round One grants for government schools (totaling approximately \$105 million for 4,029 projects for 2,613 schools) would be approved by June 2005. No grants were approved by that time and New South Wales and Victorian schools have yet to receive their Round One grants. A further 389 applications were deferred from Round One to Two. Round 2 grants (for which there were 4,051 applications) are being announced progressively from February to April 2006—to date grants have been announced for the Australian Capital Territory, the Northern Territory and Western Australia.⁵

Apart from the frustrations caused by the delays in processing government school IOSP applications, concerns have also been expressed about the inequity of the funding for government schools. This is because there is an upper limit of \$150,000 for government school grants but no similar limit for non-government schools. In an answer to a Senate Estimates question it was revealed that some non-government schools had received IOSP grants far in excess of the \$150,000 government schools' limit.⁶ The difference has been reported as justified because government schools receive more money from the Commonwealth's general capital grants program for schools than do non-government schools.⁷ In 2005–06 it is estimated that government schools will receive \$441.7 million in Commonwealth general capital grants for school and non-government schools will receive \$193.9 million.

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There is also a question as to whether the grants made to non-government schools have deviated from the original purpose of the IOSP. According to the Coalition's election policy, IOSP funds for non-government schools 'will be spent on high priority infrastructure projects in less well-off Catholic and Independent schools where the ability of parents to fully fund desperately needed infrastructure is limited.'⁸ There have also been accusations of bias in the distribution of IOSP grants. On its analysis of IOSP grant recipients, the Australian Labor Party has identified that the majority of IOSP funding in Round One has been allocated to coalition electorates with average funds per Coalition electorate of \$792,010 compared to \$549,303 per Labor electorate.⁹

The difficulties the administration of the IOSP has encountered should not detract from its value. The large demand for IOSP grants can be seen as indicative of the need for more capital investment in schools by all levels of government, as attested to by a number of reports.¹⁰ There may be a question however as to the method of administration of the IOSP in relation to government schools.

Tutorial Voucher Initiative

The bill proposes that unspent 2004 TVI funds be carried over to 2006 and reallocated to the National Projects element of the Literacy, Numeracy and Special Learning Needs Programme under the current Act. The funds will be used to provide assistance to those eligible students who did not receive tuition under the pilot in 2005.

The TVI is a pilot scheme whereby the parents/caregivers of children who did not achieve the Year 3 minimum national reading benchmark in 2003 are eligible to receive a \$700 voucher to purchase additional reading assistance for their child through approved brokers. The pilot scheme was implemented in 2005.¹¹

However because all those who were eligible for the vouchers did not take up a voucher, TVI funding, originally allocated in 2004 by the *States Grants (Primary and Secondary Education Assistance) Legislation Amendment Act 2004*, was underspent. As at 14 November 2005, the take up rate varied from 69 per cent in New South Wales to 12 per cent in Victoria:

TVI take up rate as at 14 November 2005

NSW	VIC	QLD	WA	SA	TAS	ACT	NT
69%	12%	18%	30%	55%	61%	47%	*

*NT data not yet available—pilot implemented 2006.

Source: [Answer to DEST Question No. E105_06](#), Senate Employment, Workplace Relations, and Education Legislation Committee, 2005–2006 Budget Estimates Hearing,

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The low take up rates in some states and territories are in part due to a later implementation of the TVI. At the time of the TVI's implementation not all states were reporting children's performance against the national literacy benchmarks to parents. This was a precondition for TVI eligibility. There have also been accusations of administrative inefficiency with the TVI's implementation—the reasons for the low take up rate in Victoria have been reported as an exercise in bureaucratic blame shifting.¹²

However even in those states where there was not a delay in implementation the take up rate falls far short of eligible student numbers. This raises questions about the efficacy of a scheme that operates outside education systems, relying on private providers and the motivation or capacity of individual parents and caregivers to seek assistance. A frequent criticism of the TVI has been that the additional funds would be better utilised by spending it on reading schemes operated through schools.¹³ For instance, when the TVI was first proposed, the Australian Education Union National Principals Committee 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.¹⁴

Amendments by regulation

The bill introduces a new regulation making power which will allow funds for certain school programs (capital grants, short term emergency assistance for non-government schools, targeted assistance, and grants for literacy, numeracy and special learning needs) to be either carried over if underspent or brought forward to an earlier program year in the current quadrennium of schools funding. Under the current Act these changes require an amending act.

The current Act does provide for some funding changes by regulation: e.g. cost supplementation for general recurrent and capital grants (note that this supplementation is a routine formula based occurrence). The extension of regulation making powers will introduce greater flexibility, allowing the government to expedite the reallocation of funds between program years because of changing or unexpected circumstances in the delivery of school programs. The TVI and IOSP exemplify the circumstances that can occur: TVI funding was underspent because of implementation problems in certain regions and the demand for IOSP grants exceeded expectations.

Regulations are of course subject to the standard disallowance procedures by either House under the *Legislative Instruments Act 2003*. Nonetheless it is arguable that removing the requirement for legislative amendment may result in a lesser degree of parliamentary scrutiny for any changes to school programs funding covered by item 21. Similar concerns have been raised about provisions in the *Student Assistance Legislation Amendment Bill 2005* and the *Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Act 2005*. In both there are provisions that replace requirements for legislative amendment with the power to amend by regulations and guidelines.¹⁵

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This measure will have no financial impact because it does not involve any increase in funding; it shifts already allocated funds between program years. One risk of this strategy however is that if too many funds are brought forward deficiencies in the funding of particular programs may develop in the later years of the school funding quadrennium.

Main provisions

Items 1 to 2, 4 to 10, and 13 to 18 of Schedule 1 make provision for, and consequential amendments as a result of, the new non-government school category of ‘special assistance school’ for the purposes of Commonwealth general recurrent funding.

Item 3 of Schedule 1 corrects an incorrect cross-reference in subsection 36(4) of the current Act, to ensure the subsection refers to an agreement made under s. 30 of the current Act, rather than s. 20. This item commences retrospectively.

Item 21 of Schedule 1 inserts **new Division 1A** after Division 1 of Part 11 of the current Act. It provides that changes to grant amounts for particular years by shifting funds between program years can be made by regulations. The Division applies to the following schedules of the current Act:

- Schedule 3 – capital grants for government schools
- Schedule 5 – capital grants for non-government schools
- Schedule 7 – grants of short term emergency assistance for non-government schools
- Schedule 8, Part 1 – grants for targeted assistance and
- Schedule 9, Part 1 – grants for literacy, numeracy and special learning needs.

Items 23 to 25 of Schedule 1 redistribute the funding for capital infrastructure grants (the IOSP) for government schools, specified in Column 3 of Schedule 3 of the current Act. Funding for 2006 is increased by carrying over unspent 2005 funds and by bringing forward 2008 funding. Funding for 2007 remains unchanged.

Items 29 and 30 of Schedule 1 amend Column 3 of Part 1 of Schedule 8 of the current Act to carry over unspent 2005 funds of \$0.4 million for languages education to 2006.

Items 32 and 33 of Schedule 1 amend Column 6 of Part 1 of Schedule 9 of the current Act and increase 2006 funding for national literacy and numeracy projects by carrying over unspent 2005 national project funds of \$0.7 million and unspent 2004 TVI funds of \$8.9 million.

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Item 35 of Schedule 1 amends part 1 of Schedule 8 of the *States Grants (Primary and Secondary Education Assistance) Act 2000* to enable the carry over of unspent TVI funds to 2006 national projects under the current Act.

Conclusion

The reallocation of funding between program years is not particularly controversial and is a practical response to program needs. However the problems that have occurred with the administration of the IOSP and TVI in particular may be viewed by some as a vindication of their concerns about the federal government bypassing the state and territory governments in the delivery of school education programs. There is also a question as to whether some of these problems would have occurred or been mitigated had the programs been delivered through state and territory education authorities.

The other significant aspect of the bill is the proposal to amend certain funding provisions of the current Act by regulation. While this will allow for a more timely response to changed program circumstances, a question remains about the level of parliamentary scrutiny that will be applied to the delivery of school programs.

Endnotes

1. For a brief explanation of the SES system see M. Harrington, *Commonwealth General Recurrent Grants for Schools – A Brief Explanation*, Parliamentary Library, Canberra, [2004], http://libiis1/Library_Services/electoralatlas/SchoolGrants/Explanation.htm, accessed on 24 February 2006.
2. Access Economics, *The Economic Benefit of Increased Participation in Education and Training*, Dusseldorp Skills Forum and Business Council of Australia, 2005, p.6, http://www.dsf.org.au/papers/173/DSFdoc_Apr05FINALrev_0.pdf, accessed on 24 February 2006.
3. *ibid.*
4. Dusseldorp Skills Forum, *How Young People are Faring: Key Indicators 2005*, p. 13, http://www.dsf.org.au/papers/180/DSF_HYPAF05doc6_0.pdf, accessed on 24 February 2006.
5. For further information about the IOSP, see DEST's IOSP website at http://www.dest.gov.au/sectors/school_education/programmes_funding/general_funding/capital_grants/iios/default.htm, accessed on 24 February 2006.
6. See answer to DEST Question No. E614_06, Senate Employment, Workplace Relations, and Education Legislation Committee, 2005–2006 Supplementary Estimates Hearing, http://www.aph.gov.au/Senate/committee/eet_ctte/estimates/sup_0506/dest/e614_06.pdf, accessed on 24 February 2006.

For information about individual approved government school applications see DEST IOSP website at

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http://www.dest.gov.au/sectors/school_education/programmes_funding/general_funding/capital_grants/iios/2005_approved_grants.htm.

7. J. Dickins, 'Private schools reap millions from government funds', *Sunday Telegraph*, 8 January 2006, http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION_ID:JGFI6%3B, accessed on 24 February 2006.
8. Liberal Party of Australia and Nationals, *Investing in our Schools: A Billion Dollar Investment in our School Infrastructure*, 2004, http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=partypol&Criteria=CITATION_ID:2TWD6%3B, accessed on 24 February 2006.
9. J. Macklin, 'Investing in our schools ... as long as they're in Coalition electorates', *Media Release*, 27 February 2006, http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressrel&Criteria=CITATION_ID:QJVI6%3B, accessed on 27 February 2006.
10. See for instance S. Green and C. Milburn, 'State's school buildings worst in country', *Age*, 10 October 2005, http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION_ID:DAJH6%3B; B. McDougall and K. Bissett, 'State of disrepair', *Daily Telegraph*, 17 May 2004, http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION_ID:QRIC6%3B; and Department of Education, Science and Training, *Taking Stock: Report of the Survey of Non-Government Schools Infrastructure in Australia 2000/2001*, DEST, Canberra, 2002, http://dpl/Books/2003/DEST_TakingStock.pdf, accessed on 24 February 2006.
11. For further information see DEST's TVI website at http://www.dest.gov.au/sectors/school_education/programmes_funding/programme_categories/key_priorities/tutorial_voucher_initiative/default.htm; and M. Harrington, 'States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004', *Bills Digest*, no. 44, Parliamentary Library, Canberra, 2004–05, <http://www.aph.gov.au/library/pubs/bd/2004-05/05bd044.pdf>, accessed on 24 February 2006.
12. P. Beauchamp, 'Reading help lost in bungle', *Herald Sun*, 8 October 2005, http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION_ID:NOJH6%3B, accessed on 24 February 2006.
13. See for instance the report of recent comments by Fred Ackerman, President of the Victorian Principals Association: 'Literacy voucher program attacked', *Age*, 13 February 2006, http://parlinfoweb.aph.gov.au/piweb/TranslateWIPILink.aspx?Folder=pressclp&Criteria=CITATION_ID:O7QI6%3B, accessed on 24 February 2006.
14. 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 February 2006.
15. See D. Daniels, K. Jackson and T. John, 'Student assistance Legislation Bill 2005', *Bills Digest*, no. 51, Parliamentary Library, Canberra, 2005–06, pp. 8–9,

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<http://www.aph.gov.au/library/pubs/bd/2005-06/06bd051.pdf>; and D. Daniels and P. Yeend, 'Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005', *Bills Digest*, no. 70, Parliamentary Library, Canberra, 2005–06, pp. 31 and 55, <http://www.aph.gov.au/library/pubs/bd/2005-06/06bd070.pdf>, accessed on 24 February 2006.

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