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Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill (No. 2) 2006

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Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill (No. 2) 2006

Date introduced: 6 September 2006

House: House of Representatives

Portfolio: Education, Science and Training

Commencement: 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 capital grants funding for government and non-government schools for the years 2009 to 2011.

Background

The majority of Australian Government funding for schools is provided on a four yearly basis. The current Act provides funding for the 2005 to 2008 quadrennium.

The bill amends the current Act to provide capital funding to schools for the years 2009 to 2011. This funding amounts to just over \$1 billion, of which \$747 million will be allocated to government schools and \$258.5 million to non-government schools. The bill is a routine procedure which takes account of the long-term nature of many capital works projects.

While the bill continues the same level of annual capital grants funding for government schools as provided under the current Act, the level of capital funding for non-government schools is reduced. The current Act provides \$101.8 million in capital grants funding for non-government schools for each of the years 2005 to 2007, and \$90.1 million for 2008. The bill provides \$86.2 million for each of the years 2009 to 2011. The reduction in annual funding for non-government schools from 2007 reflects the lapsing of two programs of capital funding for non-government schools.

Since 1996 the Australian Government has augmented the base funding level for the non-government sector by an additional \$10 million per year. This funding, which compensated for a number of fixed term targeted elements for hostels, Indigenous students and technology infrastructure in the non-government schools sector that ended in 1996, lapses in June 2007. There will be a review this year to determine if there is a need for a continuation of this funding.

Additional funding of \$17 million provided to Northern Territory non-government schools serving students in isolated areas since 2005 also lapses after 2008. This additional

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funding was provided in recognition of the greater costs that are encountered for capital works in these areas compared to metropolitan and regional areas. It also reflected the results of a survey of non-government schools infrastructure conducted in 2000 and 2001.¹

Capital grants for schools

Capital grants for schools assist government and non-government school authorities with the provision and upgrading of school infrastructure, including land, buildings, water and electricity, equipment, library materials and cataloguing services, furniture, and residential accommodation for government school students.

Capital grants for government schools are distributed as block grants to state and territory government school systems and are allocated to each state and territory on the basis of their share of total government school enrolments. Block Grant Authorities (BGAs) manage the process for non-government schools. Funds for non-government schools are allocated to BGAs on the basis of enrolments and need. Capital grants are supplemented annually according to movements in the Building Price Index (BPI) as published by the Australian Bureau of Statistics.²

Capital grants constitute only a small proportion of total Australian Government funding for schools. According to figures published in the 2004 report on financial assistance provided to each state and territory, capital grants represent about 5.2 per cent of total Australian Government specific purpose payments for school education.³

This figure is exclusive of funding provided by the Investing in our Schools Programme (IOSP) which was introduced in 2005. From 2005 to 2008 the IOSP will provide \$1 billion, (\$700 million for government schools and \$300 million for non-government schools), for small scale infrastructure projects (e.g. library resources, computer facilities, air-conditioning and heating, outdoor areas, sports and play equipment).⁴

While, as the Minister for Education, Science and Training indicates in her second reading speech on the bill, the majority of capital grants funding is provided to government schools, overall, in the context of total estimated Australian Government funding for schools, non-government schools receive the majority of funding. For instance, in 2006-07, non-government schools will receive approximately 64 per cent of total funding.⁵

Main provisions

Items 1 to 3 of Schedule 1 provide \$249 000 000 in capital grants to government schools for each of the years 2009 to 2011.

Items 4 to 6 of Schedule 1 provide \$86 173 000 in capital grants to non-government schools for each of the years 2009 to 2011.

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Endnotes

1. Australia. Department of Education, Science and Training (DEST), *Taking Stock: Report of the Survey of Non-Government Schools Infrastructure in Australia 2000/2001*, DEST, Canberra, 2002, <http://www.dest.gov.au/archive/schools/publications/2002/infrastructure/TakingStock.pdf>, accessed on 8 September 2006.
2. For further information see Australia. Department of Education, Science and Training (DEST), *Australian Government Programmes for Schools Quadrennial Administrative Guidelines 2005–2008: 2006 Update*, DEST, Canberra, 2006, pp. 23–27 and pp. 73–80, http://www.dest.gov.au/NR/rdonlyres/C9EA75DE-EAAE-4CB2-B79E-B5D20D78C6BE/13155/AdminGuidelines2005_2008.pdf, accessed on 11 September 2006.
3. Australia. Department of Education, Science and Training (DEST), *States Grants (Primary and Secondary Education Assistance) Act 2000: Report on Financial Assistance Granted to each State in Respect of 2004*, DEST, Canberra, 2005, http://www.dest.gov.au/NR/rdonlyres/38258BC4-3018-4827-9BC2-68EECAC3D1D5/8467/FinancialAssistanceGrantedToEachState_2004.pdf, accessed on 8 September 2006.
4. For further information about the IOSP see Marilyn Harrington, ‘Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill 2006’, *Bills Digest*, no. 100, Parliamentary Library, 2005–06, pp. 4–5, <http://www.aph.gov.au/library/pubs/bd/2005-06/06bd100.pdf>, accessed on 8 September 2006; and DEST’s IOSP website, http://www.dest.gov.au/sectors/school_education/programmes_funding/general_funding/capital_grants/iios/default.htm, accessed on 8 September 2006.
5. Australia. ‘Budget Strategy and Outlook 2006–07’, *Budget Paper No. 1*, p. 6–9, http://www.budget.gov.au/2006-07/bp1/html/bp1_bst6.htm, accessed on 11 September 2006.

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