

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 ADDITIONAL ESTIMATES HEARING

Outcome: 1
Output Group: 1.1 – Funding for schools

DEST Question No. E850_04

Senator Carr provided in writing.

Refer to DEST question E419_04 and E420_04

Question:

At the November 2003 Estimates hearing some questions were raised about the eligibility of extremely small schools for Commonwealth recurrent grants.

Can you please advise what are the procedures for adjustment of Commonwealth recurrent grants where, for example, a school has four enrolments at the August census date in a given year, but only two enrolments in the following year.

Does the Department take steps to recoup overpayments to schools? What is the timing, and the process, for this to occur?

What happens when a school cannot, or does not, repay overpaid recurrent grants? What steps are taken by the Department?

What would happen in a case where a school that was essentially a pre-school, but that had, say, four Year 1 enrolments in August of a given year, but had in fact zero enrolments at that level in the following year?

You say that you monitor the enrolments of new schools closely. How do you do this, and to what purpose? What do you do about schools whose enrolments fluctuate?

In particular, what do you do when a school's enrolments fall to zero?

Answer:

Recurrent grants: very small schools

General Recurrent Grant (GRG) advance payments are made in January (50%) and July (75%) each year. These entitlements are based on Census data from the previous year. In October, the final (100%) payment is calculated using the current year's Census data. If a school's enrolments have fallen, the October payment will take this into account and adjust the entitlement accordingly. A supplementary payment can, on occasion, be the final payment for a particular year if the increase in the AGSRC has not been announced at the time the October payments are processed.

If a negative amount remains after the processing of the final payment for the year, the school is formally notified by the Department that it has 21 days to repay the overpayment. Depending upon an individual school's circumstances an option to have the overpayment offset against the following year's January payment is made available.

If a school fails to repay its debt and the Department is not in a position to offset future payments, the Department will pass the matter to its solicitors with a view to proceed with formal debt recovery action.

Schools are encouraged to avoid or reduce the risk of major overpayments by notifying the Department at the beginning of the school year if their enrolments have decreased by 15% or more. This is a requirement set out in the *Commonwealth Programmes for Schools Quadrennial Administrative Guidelines, 2001-2004*.

The *States Grants (Primary and Secondary Education Assistance) Act 2000* (the Act) precludes GRG funding from being provided to an entity that is of pre-school standard only. There are schools offering pre year 1 as part of an integrated primary school programme which receive GRG funding. In circumstances where a school offering Pre-Year 1 to Year 1 loses its Year 1 enrolments, the Department would seek an explanation about the nature of future education provision at the school. The Department would also contact the respective Office of State Registration to clarify whether State registration for Year 1 had been removed. If registration had been removed, or if the school advised that it was no longer offering Year 1 the following year, the Department would take steps to remove it from the list of non-government schools in respect of which GRG funding is provided under the Act.

If the school advised that it would resume offering Year 1 the following year, the Department would request that the school provide a Statement of Enrolments at the beginning of the new school year so as to confirm Year 1 students had returned. No payments would be made until the Statement had been submitted.

The Department's monitoring of enrolments of new schools entails seeking information about the source of enrolments at a proposed new school to ascertain whether an application for funding should be approved as a newly commencing school.

All non-government school enrolments fluctuate to some degree throughout a school year. Funding entitlements are adjusted according to the number of students enrolled at schools census day.

Given the high level of liaison between the Department and State Departments responsible for State Registration, it is unlikely the Department would receive a Census return of zero enrolments. In the event of a school not re-opening, the Department would request the January advance payment be returned in full. If a school closed mid-year, its annual entitlement is calculated in proportion to the time it was operating for that calendar year – if an overpayment is calculated, the Department would engage its standard recovery procedure.