

1983-84

THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

STATES GRANTS (SCHOOLS ASSISTANCE) BILL 1984

EXPLANATORY MEMORANDUM

(Circulated by authority of
the Minister for Education and
Youth Affairs, Senator the
Hon Susan Ryan)

OUTLINE

STATES GRANTS (SCHOOLS ASSISTANCE) BILL 1984

The purpose of this Bill is to put into operation the Government's continuing commitment to the funding of primary and secondary education of children in the States and the Northern Territory. The programs are to be administered by the Commonwealth Schools Commission and this Bill will make provision for the funding of, and conditions applicable to, a range of educational programs for the 1985 calendar year. In respect of several programs the proposed legislation will apply to subsequent years, in some cases extending to 1988. The Bill also adjusts grants for 1984 programs by way of assistance to school authorities in meeting the effects of increases in cost levels during 1984 and provides for adjustments in the administration of several programs.

The principles of the proposed operation of the programs provided for in this Bill are outlined in the Commonwealth Schools Commission's Report issued subsequent to the Government's Guidelines for the Commonwealth Schools Commission 1985-88 announced on 14 August 1984.

It should be noted that grants for schools under the Participation and Equity program introduced in 1984 continue to be provided under the States Grants (Education Assistance - Participation and Equity) Act 1983.

The major changes from existing Schools Assistance legislation relate to:

- . the replacement of the former annual block grant scheme for General Recurrent Program payments for government schools by a per capita system extending to 1988 with annual real increases.
- . the provision for Commonwealth and State governments to reach 'resource agreements' relating to achievement of agreed objectives in government schools. Conclusion of these agreements will determine whether annual real increases in grants from 1986 to 1988 will be treated in the manner of normal general recurrent grants or be subject to additional conditions applying to specific purpose programs of a recurrent nature i.e. for Special Education, Disadvantaged Schools etc.

- . the replacement of the former 4 level scheme for General Recurrent grants to non-government schools by a 12 Category scheme extending to 1988 with annual real increases and a provision that no school will receive less in money terms than it would have if its 1984 funding level had been continued.
- . the provision of similar resource agreements for non-government school systems to those required for government schools with a less formal arrangement for non-government non-systemic schools.
- . the provision of new procedures relating to the recognition for funding purposes of new non-government schools or changed operations of existing schools.
- . the provision of powers to enable overpayments of general recurrent grants to non-government schools which have resulted from the supply of incorrect information to be deducted from grants payable in a subsequent year.
- . a new program of Basic Learning in Primary Schools to assist schools to help students acquire competence in literacy, numeracy and communication skills.
- . a new program of Early Special Education to assist the education of handicapped children below normal school age.
- . enhanced accountability provisions for both government and non-government schools.

The adjustment to the 1984 programs is anticipated to bring the total cost of 1984 grants to \$1,317 million.

The estimated cost of grants in respect of the 1985 calendar year for programs under this Bill is \$1,385 million.

NOTES ON CLAUSES

The provisions of the Bill are similar to those of the existing States Grants (Schools Assistance) Act 1983. The main variations are indicated below.

Provision for 1985 grants

PART I - PRELIMINARY

Clause 3

Sub-clause (1) (Interpretation)

"approved authority" - defined in the existing legislation in sub-clause (17) and now included with minor rewording in this clause for ease of reference.

"approved schools system" - addition of "in writing" to former provision, to accord with new procedures for acceptance of non-government schools for funding purposes.

"early special education program for handicapped children" - new provision to define the purposes of the new program.

"non-systemic school" - re-expressed to clarify new procedures for the general recurrent grants program.

"prescribed special education" - former definition now omitted as former provisions now incorporated in "early special education program for handicapped children".

"program of basic learning" - new provision to define the purposes of the new program.

"recurrent expenditure" - widening of definition to allow short-term emergency assistance to be provided for emergency building requirements.

"resource agreement" - new provision to define this term.

"schools census date" - variation of definition to take account of the fact that the Australian Statistician no longer conducts the school census.

"subsequent schools assistance Act" - new provision to define similar legislation introduced in later years.

"systemic school" - rewording of former provision to accord with new arrangements relating to recognition of non-government schools for funding purposes.

Sub-clause (9)

New provision to enable the Minister to prescribe certain minimum enrolment levels for new non-government or new parts of schools in conjunction with new sub-clauses 6(14) and 7(16).

Former sub-clauses (9) to (11) in respect of systemic schools have now been incorporated in new clause 6.

Sub-clause (10)

New provision to enable the Minister to declare a community standard cost to be used in conjunction with new procedures for funding of non-government schools.

Sub-clause (11)

New provision to enable the Minister to indicate methods of calculating income in respect of non-government schools.

Former sub-clauses (13), (14), (15), and (16) are now renumbered (12), (13), (14) and (15).

Sub-clause (16)

Defines "year" as "calendar year".

Former sub-clauses (18) to (20) are renumbered (17) to (19) respectively.

Clause 4

Sub-clause (5)

Extends the availability of short-term emergency assistance to any non-government school experiencing financial difficulties as a result of an unexpected circumstance.

Clause 5

Sets new per capita rate of funding for eligible new arrivals.

Clause 6

Sub-clause (1)

Provides for lists of approved school systems and of their component schools in force under existing legislation to continue under this Bill or to be varied under this provision.

Sub-clause (2)

Provides for the present 4 categories of recurrent grants to be extended to 12 categories for the purposes of this Bill.

Sub-clause (3)

Provides for a system authority to give periods of notice to the Minister of proposed changes in the location or level of operation of schools in that system between 1986 and 1990.

Sub-clause(4)

Enables the Minister to inform a system authority of a school's provisional inclusion on the list of approved schools, or, if the proposed changes are not acceptable, to invite further submissions from the system authority.

Sub-clause (5)

Provides for the system authority after further submissions to be informed in writing of the Minister's decision on provisional inclusion of the school on the list of approved schools.

Sub-clause (6)

Provides that the Minister may vary the list either to exclude systemic schools with unacceptable or non-notified changes of location, or to include schools where relocations are approved.

Sub-clause (7)

Provides that the Minister, having provisionally approved a change involving an additional level of education at a systemic school, may vary the list by adding that level in respect of the school, subject to State Government recognition of the new level, and the attaining of minimum enrolments at that level.

Sub-clause (8)

Lists criteria on which proposed changes are acceptable for 1985 and allows further changes to be introduced by regulation in respect of later years.

Sub-clause (9)

Provides for a system authority to seek to add a school, or part of a school, not presently included on the list of systemic schools, to that list.

Sub-clauses (10), (11), (12) and (13).

Provide for the Minister to provisionally approve, or not approve, the inclusion of additional schools to the list of systemic schools having received adequate notice. For inclusion on the list, schools or parts of schools that satisfy criteria set out in sub-clause (13) must also be recognised by a State, be non-profit-making and meet prescribed enrolment minima. Where schools fail to satisfy the criteria, having had the opportunity to make additional submissions relating to their non-acceptance, they will be excluded.

Sub-clause (14)

Enables the Minister, unless provided with special justification for not so doing, to exclude from funding any school which is first included in the list of approved schools after 1 January 1985 and falls below specified enrolment levels.

Sub-clause (15)

Provides that where it becomes evident that a system is failing to maintain a satisfactory level of private contributions, the Minister may inform the school system that, subject to receiving advice from the system, this circumstance may be taken into account in considering a variation to the system's funding level.

Sub-clauses (16) and (17)

Enables the Minister, having provided a system authority with the opportunity for further submissions relating to (14) and (15), to remove a school either from the list wholly or in respect of a particular level of education in connection with sub-clause (14), or to take a circumstance indicated in sub-clause (15) into account in considering variation of funding levels.

Sub-clause (18)

Enables the Minister to vary the level of assistance provided to a system, having regard to a change in its need for financial assistance. This variation will normally apply from the following January.

Sub-clause (19)

Provides that an approved school system, for as long as it is so declared by the Minister, shall be deemed to remain on the list of approved systems.

Sub-clause (20)

Provides that lists of systems and systemic schools shall be gazetted annually or more frequently as appropriate.

Sub-clause (21)

Provides for alteration for clerical errors or for formal purposes to be made in the list.

Sub-clause (22)

Enables the Minister to notify a school system that where its income from private sources exceeds a certain level, and its average rate of increase in fees and other charges is excessive, this circumstance may be taken into account in determining levels of assistance after December 1988.

Sub-clause (23)

Special provision to enable systemic schools having had a proposed change in location during 1985 approved by the Minister before the commencement of the proposed Act to be treated as coming under its provisions.

Clause 7

Sub-clauses (1) and (2)

Provide for continuation of the 1984 list of non-systemic schools with appropriate adjustments for the change from 4 to 12 categories of funding.

Sub-clauses (3) to (7)

In a similar manner to sub-clauses (3) to (7) of clause 6, provide for the Minister, after adequate notice and having given school authorities opportunity to fully argue their case, to exclude a school from the funding list, either totally or in relation to particular levels of education, if it has undergone, or proposes to undergo, changes in its manner of operation, which do not accord with specified criteria.

Sub-clauses (8), (9), (10), (11), (12) and (15)

In a similar manner to sub-clauses (8) to (13) of Clause 6, provide for the Minister to include new schools on the list for funding purposes, subject to satisfying certain criteria. In cases where a proposed school is not to be included, opportunity is provided for the school authority to fully argue its case.

Sub-clause (13) and (14)

Provides for the Minister to add a school to the approved list and in so doing specify its level of recurrent assistance, having taken account of its need for financial assistance.

Sub-clause (16)

In a similar manner to sub-clause (14) of Clause 6, provides for schools, falling below certain enrolment levels, to be excluded from funding if they were placed on the list after 1 January 1985.

Sub-clause (17)

In a similar manner to sub-clause (15) of Clause 6, provides for the Minister to take account of a school's failure to maintain an adequate level of private contribution in any future re-assessment of needs for financial assistance.

Sub-clause (18)

Provides opportunity for school authorities to present further information to the Minister in respect of (16) and (17) above.

Sub-clause (19)

Provides for Minister to vary the list of schools in respect of matters covered in (17) and (19) above.

Sub-clauses (20), (21), and (22)

Provide for the Minister to vary the list having regard to a change in a school's financial need, or for the purpose of formal alterations and correction of clerical errors, and to Gazette the list annually or more frequently if appropriate.

Sub-clause (23)

Provides for the Minister, where non-systemic schools can meet the Community Standard from private sources, and the Minister is satisfied that increases in fees at such schools have been excessive, to inform the authorities of such schools that this circumstance may be taken into account in considering future funding levels.

Sub-clause (24)

Special provision to enable non-systemic schools having had a proposed change in location during 1985 approved by the Minister before the commencement of the proposed Act to be treated as coming under its provision.

Clause 8

New provision for movements of schools between lists of systemic and non-systemic schools.

PART II - GOVERNMENT SCHOOLS PROGRAMS

Clause 11

Sub-clause (1)

New provision for general recurrent grants to States for government schools to be calculated on the basis of per capita rates related to the numbers of primary and secondary enrolments in each of the years 1985 to 1988.

Sub-clauses (2) and (3)

Provide for the Minister to determine an amount of additional funds for 1985 in respect of which States will require to provide prior advice of their expenditure proposals and define 'resource agreements' in respect of 1986-88.

Sub-clauses (4), (5) and (6)

Provide limits on grants in respect of which resource agreements are entered into and set out general conditions attaching thereto.

Sub-clauses (7) and (8)

Provide for arrangements to be made for the supply of information on States' own effort in expenditure on government schools prior to payment of grants under this section.

Sub-clause (9)

Defines the period 1985-1988 to which this section applies.

Clause 12

Provides that where a resource agreement with a State is not concluded, or is concluded only in respect of part only of the additional sums available for this purpose, the Minister may direct that the remaining additional funds will become payable to the State concerned, on the same terms and conditions as apply to any program of a recurrent nature provided for in this Act (other than the general recurrent grants program) or in the States Grants (Education Assistance - Participation and Equity) Act 1983. These funds will be additional to any amount set out in Commonwealth Schools Assistance or Participation Legislation as maximum amounts of grants under particular programs.

Clause 15

Sub-clause (2)(b)(iii)

Rewords former section 12 to clarify that Commonwealth assistance is provided only in respect of one course for new arrivals. New arrivals may remain eligible if a prior course has been provided through other than Commonwealth assistance.

Clauses 20 and 21

Align provisions for assistance to States for programs of computer education with other programs of recurrent assistance to States provided for in this Act by removing the requirement for prior approval of such programs by the Minister.

Clauses 22 and 23

Provide for a new program of basic learning in government primary schools for the triennium 1985 to 1987.

Clause 24

Sub-clause (2)

Provides additional conditions in respect of general recurrent grants to government schools including accountability provisions in respect of resource agreements.

PART III - NON-GOVERNMENT SCHOOLS PROGRAMS

Clause 25

Sub-clause 2(c)

New provision to enable Minister to set particular conditions attaching to approval of building or equipment projects.

Clause 28

Rewording and expansion of former Section 23 providing for payments under the revised general recurrent grants program for non-government systemic schools.

Sub-clause (1)

Provides for calculation of grants according to the new 12 category classification with further provision that if the grant so calculated falls below the amount to which a system would have been entitled if the rates payable in respect of that school system in 1984 were continued in 1985, the school system will receive the latter amount. Additional amounts of recurrent funds will also be paid subject to resource agreements. Further additional amounts will be available by way of establishment grants for systemic schools recently establishing in developing areas.

Sub-clauses (2) and (3)

Set out advance information requirements relating to the manner of expenditure of additional funds available in 1985 and define "resource agreements" to apply from 1986 to 1988.

Sub-clauses (4) and (5)

Provide that a resource agreement (for 1986-88) or advance information requirement (for 1985) will apply only in respect of the amount by which the maximum rate exceeds the base year amount. Where 1984 rates exceed the base year figure the resource agreement amount will be calculated as the amount, if any, by which the maximum rate exceeds the 1984 figure.

Sub-clause (6)

Sets out conditions on which payments are made including detailed accountability provisions for each school forming the school system.

Sub-clause (8)

Provides that where a non-systemic school becomes part of a system, the per capita rates payable to the system in respect of that school will be whichever is the lesser of

- (a) those payable in respect of the non-systemic school if it were not part of the system; or
- (b) those payable to the system generally, unless mitigating circumstances exist.

Sub-clause (9)

Indicates that this section applies for the quadrennium 1985 to 1988.

Clause 29

Rewording and expansion of former section 24 providing for payments under the revised general recurrent grants program for non-government non-systemic schools.

Sub-clauses (1) and (2)

Provides for calculation of grants according to the new 12 category classification with further provision that if the grant so calculated falls below the amount to which the school authority would have been entitled if the rates payable in respect of a school in 1984 were continued in 1985, the school authority will receive the latter amount. Additional amounts of recurrent funds will also be paid subject to the school authority providing advance information on its proposed expenditures of the Commonwealth grant. Further additional amounts will be available as establishment grants for schools establishing themselves within the past four years. For newly included schools these grants will apply only if the school is in a developing area.

Sub-clause (2)

Describes information required for resource agreements.

Sub-clauses (3) and (4)

Provide that advance information requirements will only apply where the maximum rate exceeds the base year amount. Where the 1984 rates exceed the base year figure the advance information requirement will apply only to the amount, if any, by which the maximum rate exceeds the 1984 figures.

Sub-clause (5)

Set out conditions on which payments are made including detailed accountability provisions for each school.

Sub-clause (6)

Provides that where only one part of a school is included on a list for funding purposes, calculations of entitlement for assistance will be based only on enrolments relating to that part.

Sub-clause (7)

Indicates that this section applies for the quadrennium 1985-1988.

Clause 30

New provision enabling the Minister to authorise payment of unallocated moneys which become available where the full amount of additional recurrent assistance is not incorporated in resource agreements with school systems or prior information arrangements with non-systemic schools.

Sub-clause 1

Indicates the circumstances under which unallocated moneys become available.

Sub-clause (2)

Indicates the method of calculation of such unallocated moneys.

Sub-clause (3)

Enables the Minister to authorise payment of unallocated moneys to a State for non-government schools on such terms and conditions as apply to any program of a recurrent nature (other than the General Recurrent Grants Program) under which grants are available to non-government schools in that State under Commonwealth Schools Assistance or Participation and Equity legislation.

Sub-clauses (4) and (5)

Provide that payments authorised under sub-clause (3) shall be additional to any amount set out in Commonwealth Schools Assistance or Participation and Equity legislation as maximum amounts of grants under particular programs.

Clause 31

Rewording of part of provisions in former sections 23, 24 and 25 relating to grants to schools in need of short term emergency assistance.

Clause 32

Sub-clause (2)(b)(i)

Rewords former section 26 to enable the Minister to determine amounts in respect of both systemic schools individually or as a group for the purposes of expenditure under the English as a Second Language Program.

Clause 33

Rewords former section 27 to enable the Minister to determine amounts in respect of both individual non-systemic schools or in respect of groups of those schools for the purposes of the English as a Second Language Program.

Clause 35

Sub-clause (2)(b)(ii)(C)

Rewords former section 29 relating to systemic schools to clarify that Commonwealth assistance is provided only in respect of one course for new arrivals. New arrivals may remain eligible if a prior course has been provided through other than Commonwealth assistance.

Clause 36

Sub-clause (2)(b)(ii)(C)

Rewords former section 30 relating to non-systemic schools to clarify that Commonwealth assistance is provided only in respect of one course for new arrivals. New arrivals may remain eligible if a prior course has been provided through other than Commonwealth assistance.

Clause 37

Sub-clause (2)(b)(i)(B)

Rewords former section 31 to enable the Minister to approve payments in respect of groups of projects in systemic disadvantaged schools.

Clause 40

Rewords former sections 34 and 35 to eliminate reference to 'prescribed authority' and 'prescribed special education' which are now replaced by the New Early Special Education program provided for in clauses 68 and 69 below.

Clauses 46, 47, 48 and 49

Provide for a new program of Basic Learning in non-government systemic and non-systemic schools for the triennium 1985 to 1987.

PART IV - SUPPLEMENTARY GRANTS FOR BUILDING AND EQUIPMENT PROJECTS AT SCHOOLS SERVING PREDOMINANTLY ABORIGINAL COMMUNITIES

Clause 51

Sub-clause (2)

New provision to enable Minister to set particular conditions attaching to approval of building or equipment projects.

PART V - GOVERNMENT AND NON-GOVERNMENT SCHOOLS PROGRAMS

Clause 60

Sub-clause (2)(b)

New provision for the Minister to specify conditions which must be agreed to by an ethnic schools authority with the Commonwealth prior to the advance of moneys.

Clauses 66 and 67

Rewording of former section 56 and 57 to enable the Minister to authorise payments to a State in respect of programs of Education for Severely Handicapped Children without the necessity for the Minister to give approval for the particular program.

Clause 68

New provision by which the Minister may approve programs under the new program of Early Special Education for handicapped children provided by non-government schools or centres.

Clauses 69 and 70

Provisions whereby the Minister may authorise payments under the Early Special Education Program in respect of either

- (a) programs to be conducted by the State or an instrumentality of the State; or
- (b) approved programs under clause 68 above.

Clause 71

Sub-clause (3)(b)(11)

Expansion of former section 59 to include references to new programs of Basic Learning and Early Special Education, also to provide for professional development in Disadvantaged Schools, and in respect of Programs of National Significance.

PART VI - MISCELLANEOUS

Clause 81

Sub-clause (1)

New provision to allow the Minister in the event of receiving incorrect information in relation to a non-government school leading to an overpayment, to declare that an excess payment has been made.

Sub-clauses (2) and (3)

Enables the Minister to determine that where the overpayment occurs, further payments to the school authority under this Bill or subsequent legislation may be reduced by the amount of overpayment.

Sub-clause (5)

Provides similar reductions to those provided for in sub-clauses (1) to (3) where incorrect information has led to a more favourable classification for a non-government school for general recurrent grants.

PART VII - AMENDMENT OF STATES GRANTS (SCHOOLS ASSISTANCE) ACT 1983

Clause 94

Provides for new rate of payment for eligible new arrivals.

Clauses 95 to 100

Provide for the cessation of payments in respect of 1985 and 1986 for Computer Education at government and non-government schools under sections 36 to 39 to allow for this program to be continued in this Bill for administrative efficiency as this is the only program in the 1983 Act in operation for 1985 and 1986. This Bill contains several programs extending beyond 1985.

Clause 101

Provides for the extension by 6 months of the date by which commitments must be undertaken in respect of projects in connection with schools serving predominantly Aboriginal communities to qualify for funding under the 1983 Act.

Clause 102

Provides new rates of payment for children in Ethnic Schools

Clause 103

Repeals section 70 which is no longer required because of the transfer of the Computer Education program provisions to the new Bill.

Clause 104

Provides for adjustment to grants in the 1983 Act under arrangements for supplementation in respect of price increases.

SUMMARY OF GRANTS FOR 1984 AND 1985

1984 GRANTS - ADJUSTMENT

| | Adjustment | New Entitlement | |
|----------------|---------------|------------------|-----|
| | \$'000 | \$,000 | |
| Government | | | |
| Recurrent | 11,694 | 433,044 | |
| Capital | - | 157,600 | |
| | <u>11,694</u> | <u>590,644</u> | |
| Non-Government | | | |
| Recurrent | 3,892 | 632,765 | (a) |
| Capital | - | 53,353 | |
| | <u>3,892</u> | <u>686,118</u> | |
| Joint | | | |
| Recurrent | 1,195 | 39,919 | |
| TOTAL | <u>16,781</u> | <u>1,316,681</u> | |

1985 GRANTS - LEGISLATION

| | Entitlement | |
|----------------|------------------|-----|
| | \$,000 | |
| Government | | |
| Recurrent | 462,559 | (a) |
| Capital | 162,096 | |
| | <u>624,655</u> | |
| Non-Government | | |
| Recurrent | 663,038 | (a) |
| | 54,798 | |
| | <u>717,836</u> | |
| Joint | | |
| Recurrent | 42,250 | |
| TOTAL | <u>1,384,741</u> | |

(a) Includes the latest estimate of the cost of the General Recurrent Program based on the most recent enrolment figures.



