School Assistance Bill

Background

This legislation outlines funding arrangements for non-government schools and systems for the next four years (2009-2012). It covers recurrent, capital and Targeted programs expenditure. It is separate from the legislation for government schools.

It retains the current SES funding arrangements.

Funding arrangements will be outlined in a funding agreement with each non-systemic school and system authority.

The funding agreement will cover matters relating to provision of national performance and transparency requirements, grant acquittal and reporting requirements and monitoring, evaluation and compliance requirements.

The Bill retains the use of the Average Government School Recurrent Costs as the basis for determining the level of per capita funding allocated to each point on the SES scale.

The Bill enables the Minister to refuse authorisation or delay payment of the funds if the authority is a body corporate that is being wound-up, the affairs of the authority are under any form of external control under a law of the Commonwealth or a State, the Minister considers that the liabilities of the body or authority are greater than its assets, or the authority is unable to pay its debts as and when they fall due or if a law of the Commonwealth or a State requires the authority to be audited and the audit expresses concern about the financial viability or is expressed to be qualified.

National school performance and transparency requirements may include national student assessments against specified educational standards.

Non-systemic schools and school systems will be required to participate in preparing a national report on the outcomes of schooling.

The relevant authority for non-systemic schools and school systems must ensure that the school or each school in the system provides the Minister a report (s) about individual school information, specified by the regulations and make this information publicly available within 6 months after the end of the program year in a way specified by the regulations.

Reporting to parents on their children’s performance in plain English language is also a requirement.

The legislation also requires that all non-government education authorities and schools to implement the National Curriculum, prescribed by regulations before the start of the 2012 school year.

States are required to make payment of each amount to the non-government school or recognised authority ‘... as soon as practicable after the amount is paid to the State. The distribution of funds by State Treasuries has been a point of frustration for member schools. AISSA is seeking either an amendment to the legislation or the a regulation which requires the States to distribute the funds...
to schools and school system authorities within five working days.

Recurrent expenditure covers:

- Current SES funding
- Maintained funding
- Guaranteed funding
- Maximum SES funding to some schools (special schools, special assistance school or a majority Indigenous student school)
- Distance education funding
- RemotenessLoading
- Indigenous supplementary assistance
- Indigenous funding guarantee.

The last two items were previously part of separate legislation for Indigenous education (Indigenous Education Targeted Assistance Act 2000) that will now be allocated direct to schools or system authorities.

A school that has an enrolment of 80% of more on census day that are Indigenous students will receive maximum SES funding per student.

A school that is defined as very remote and has 50% or more of the total number of students receiving primary and secondary education that are Indigenous will also receive maximum SES per capita funding.

A remoteness loading will also be available through this legislation based on three categories:

- Moderately accessible school campus (5% per capita)
- Remote school campus (10%)
- A very remote school campus (20%).

The funding of the Indigenous supplementary assistance and Indigenous funding guarantee components of the legislation will be indexed using the same approach as for recurrent funding. Schools and system authorities will receive the funding via these sources. This is different from the current situation for non-systemic schools; the AISSA received the funds via a cluster agreement for the sector which enabled schools with a small number of Indigenous students to access the funds. This assisted the AISSA to provide sector wide support for member schools.

Targeted program expenditure includes:

- Short term emergency assistance
- Education in country areas
- Languages education
- Teaching English to new arrivals
- Literacy, numeracy and special learning needs.

The legislation enables the Minister to approve a school system and revoke an approved school system determination.

Establishment grants for new schools will only be provided for one more year (2009).

Administration guidelines and regulations will provide the details of the compliance requirements.

**Summary and Implications**

The Bill provides stability in the funding formula and related arrangements for the next four years; however we need to be mindful that the federal government will commence a major review of school funding in mid-2010.

It also preserves current arrangements for Targeted Programs.

Some of the key policy initiatives such as teacher quality, Low SES school communities and national Literacy and Numeracy Action Plan, Early childhood services will be funded through the new National Partnership arrangements.
These will be funding agreements between States/ Territory governments and the Federal Government.

The *National Education Agreement* will establish compliance requirements for both Government and Non-government schools.

The changes to Indigenous education funding arrangements as outlined above may limit the capacity of AISSA to provide school and sector wide support for this significant area. AISSA is currently seeking the support of other AIS’s, ISCA and local Federal MP’s to enable these funds to still be administered via AISSA.

Funding agreements will require schools to implement the national curriculum prescribed by the regulations for primary and secondary education. The sector has yet to see the draft regulations or guidelines and consequently it is not clear precisely what the Government intends to require of schools under this provision. There is also considerable uncertainty about the final form of the national curriculum given that it is in its formative stage of development. The Bill in effect will require independent schools to agree to have their funding contingent on an undefined curriculum subject to undefined arrangements. Many independent schools offer curricula such as the International Baccalaureate, Montessori and Steiner programs under registration requirements of the State authorities. There are also independent schools that offer high quality teaching and learning programs for students with special needs.

The Bill includes reference to largely undefined reporting requirements relating to the funding sources of Independent schools. Independent schools are already required to provide annual detailed reporting on their financial circumstances to the Australian Government via the Financial Questionnaire. Enhanced public disclosure of this information is likely to provide the opponents of non-government funding with information they will use during the major review of funding to schools scheduled in 2010.

Section 15 (c) (i) can be interpreted that a qualified audit statement is a relevant consideration to identify a school that may not be financially viable. There are many reasons why an audit report would be qualified and in many cases these reasons would have little to do with the financial viability of a school. A ‘qualified audit report’ is too broad a basis for assessing the financial viability of a school.

ISCA and the AIS’s have made representation to the Federal Minister on these matters. The legislation is currently being considered by Parliament. It has been passed by the House of Representatives; however it has been referred to a Senate Committee of Inquiry which is due to report on 27th November.

The Opposition has raised the above concerns during the House of Representatives debate on the legislation.

The passage of this legislation through the Federal Government is crucial for member schools.

AISSA is working with ISCA to prepare a submission to the Senate Inquiry. The dual tasks are to ensure the Bill is passed within this Parliamentary sitting and to ensure the concerns raised by some member schools are resolved.