2011

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

SCHOOLS ASSISTANCE AMENDMENT (FINANCIAL ASSISTANCE) BILL
2011

EXPLANATORY MEMORANDUM

(Circulated by authority of the
Minister for School Education, Early Childhood and Youth,
the Honourable Peter Garrett, AM MP)
The purpose of this Bill is to amend the funding arrangements under the *Schools Assistance Act 2008* (the Act), which currently provides financial assistance for non-government primary and secondary education until the end of 2012.

The Bill amends the Act to extend the existing funding arrangements, including indexation arrangements, until the end of 2013 and for Grants for Capital Expenditure until the end of 2014. This will ensure funding certainty for all Catholic and independent schools. It will also ensure funding is available to provide and improve school capital infrastructure, particularly for the most educationally disadvantaged students, in the 2013 and 2014 program years.

The Bill will enable the Commonwealth to continue to provide Capital Grants to supplement funds provided by the state and territory education authorities and funds provided by non-government school authorities, who have the responsibility of providing, maintaining and upgrading schools in the non-government sector.

**FINANCIAL IMPACT**

The Bill provides for the appropriation of approximately $8.2 billion in 2012-13 and $8.9 billion in 2013-14 for non-government schooling under the Act. This supports the capital and operating costs of non-government primary and secondary schools. These amounts include appropriations for Grants for Capital Expenditure and related purposes of nearly $142.1 million in 2012-13 and $144.2 million in 2013-14.

Current resourcing for non-government schools are in the Forward Estimates for 2012-13 and 2013-14. There is no financial impact over and above current resourcing.
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NOTES ON CLAUSES

Clause 1 – Short title

Provides that this Act may be cited as the Schools Assistance Amendment (Financial Assistance) Act 2011.

Clause 2 – Commencement

Provides that this Act commences on the day after this Act receives the Royal Assent.

Clause 3 - Schedule(s)

Provides that each Act that is specified in a Schedule is amended or repealed as set out in the applicable items in the Schedule and that any other item in a Schedule has effect according to its terms.

For ease of description, this explanatory memorandum uses the following abbreviation:

‘the Act’ means the Schools Assistance Act 2008.
Schedule 1—Financial assistance

Schools Assistance Act 2008

Item 1 – Title

Item 1 omits the words, “for 2009 to 2012”, from the title of the Act and substitutes the words, “from 2009”.

Item 2 - Subsection 3(3)

Item 2 repeals and substitutes new subsection 3(3) of the Act. Subsection 3(3) of the Act sets out the program years in respect of which financial assistance may be paid under the Act.

Under this amendment, new paragraph 3(3)(a) provides that financial assistance in relation to recurrent expenditure and targeted expenditure may be paid for the 2009 to 2013 (inclusive) program years.

New paragraph 3(3)(b) provides that financial assistance in relation to capital expenditure may be paid for the 2009 to 2014 (inclusive) program years.

Item 3 - Section 4 (definition of program year)

Item 3 repeals and inserts into section 4 a new definition of the term program year.

Item 3 provides differential definitions of program year. Under new paragraph (a), program year is defined to mean the 2009, 2010, 2011, 2012 or 2013 calendar year.

New paragraph (b) provides that the definition of program year in relation to financial assistance for capital expenditure means the 2009, 2010, 2011, 2012, 2013 or 2014 calendar year.

Item 4

Section 71 sets out the maximum funding amount of Indigenous Funding Guarantee which may be paid to the States under section 70 of the Act in respect of each program year. Section 70 provides that the Minister may authorise payment of financial assistance to a State for recurrent expenditure in relation to Indigenous students receiving education at a non-systemic school, or at schools that are members of an approved school, in the State for a program year.

Item 4 inserts new table item 5 to provide that the maximum funding amount of Indigenous Funding Guarantee in respect of the 2013 program year is $3,500,000.