

Education Amendment (Reduction of Financial Assistance to Wealthy Non-government Schools) Bill 2001

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to set out the wishes of Parliament in relation to:

- (a) limiting the provision of financial assistance, by way of per capita grants under section 21 of the *Education Act 1990* (**the Act**), to wealthier non-government schools, and
- (b) allocating the funds saved by any such limitation to the Priority Schools Funding Program for Public Schools.

The bill Also requires non-government schools that receive financial assistance by way of per capita grants under section 21 of the Act to make financial and other reports publicly available.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the day that is 28 days after the date of assent, unless the Act is commenced sooner by proclamation.

Clause 3 is a formal provision giving effect to the amendments to the *Education Act 1990* set out in Schedule 1.

Schedule 1 Amendments

Schedule 1 [1], [2] and [4] insert Division headings in Part 4 (The Minister's functions) of the Act.

Schedule 1 [3] inserts proposed section 20A in the Act. The proposed section declares that it is the wish of Parliament that the program directed at government schools and known as the Priority Schools Funding Program for Public Schools be augmented, annually, by an amount of money (adjusted for inflation) equal to the amount that would have been saved from funding to non-government schools in the financial year ended 30 June 2001 had proposed section 21B (which is inserted by Schedule 1 [6]) been in force in respect of that financial year.

Schedule 1 [5] amends section 21 (Financial and other assistance in respect of non-government school children) to make it clear that it is the wish of Parliament that financial assistance be provided to non-government schools by way of per capita grants under that section only in accordance with the wishes of Parliament as set out in proposed section 21B, even if provision of the assistance in accordance with those wishes would contravene other provisions of section 21.

Schedule 1 [6] inserts proposed sections 21A–21E in Division 3 (Assistance in respect of non-government school children) of the Act.

Proposed section 21A defines certain terms for the purposes of Division 3.

Proposed section 21B declares that the following are the wishes of Parliament:

- (a) that financial assistance to non-government schools by way of per capita grants under section 21 of the Act be limited, in the financial year commencing 1 July 2002 and in subsequent financial years, to:
 - (i) those schools whose annual fees per pupil do not exceed \$7,000 (in the case of primary schools) or \$8,000 (in the case of secondary schools), and
 - (ii) in the case of a primary school whose annual fees per pupil are \$5,000 or more but

- not more than \$7,000—an annual amount per pupil equal to one half of (\$7,000 minus the annual fee), and
- (iii) in the case of a secondary school whose annual fees per pupil are \$5,500 or more but not more than \$8,000—an annual amount per pupil equal to one half of (\$8,000 minus the annual fee),
- (b) that financial assistance by way of a per capita grant under section 21 of the Act not be provided, in respect of a particular financial year, to a non-government school unless the school provides the Director-General of the Department of Education and Training (the **Director-General**) with written notice of the annual fee proposed to be charged by the school in respect of the financial year concerned at least 6 months before its commencement.

The proposed section also confers a discretion on the Minister to require the repayment of a proportion of financial assistance paid to a non-government school that charges an annual fee, in a particular financial year, that exceeds the proposed fee notified to the Director-General in respect of the year concerned.

Proposed section 21C provides that any annual reports or other reports as to academic or financial matters that are required of government schools on or after 1 July 2002 are also to be required of non-government schools receiving financial assistance by way of per capita grants under section 21 of the Act.

The proposed section also requires a non-government school that receives financial assistance by way of a per capita grant under section 21 of the Act during a particular financial year (commencing with the year ending 30 June 2002) to produce an audited, certified financial statement that discloses all the income and expenditure of the school during the financial year concerned.

The proposed section declares that it is the wish of Parliament that financial assistance not be provided, in the immediately-following financial year, to a non-government school that fails to make a statement or report required of it publicly available within the time specified in the section. However, provision is made for assistance to be restored on a proportional basis if the statement or report is made publicly available at a later time.

Proposed section 21D is concerned with financial assistance that is not paid directly to non-government schools but is paid, instead, to an organisation for the benefit of the schools. The proposed section requires organisations that receive financial assistance under section 21 (6) during the financial year ending 30 June 2002 (or any subsequent financial year) to make publicly available an audited, certified financial statement that details the way in which the financial assistance was expended. (The provisions of proposed section 21C concerning the cessation of financial assistance to individual schools that fail to provide the requisite statement are also applied in respect of the organisations.) The proposed section also declares that it is the wish of Parliament that (effectively) the Minister reduce the financial assistance provided to any such organisation if the financial statement produced by the organisation discloses that the financial assistance was provided to schools other than those that would have been entitled (in accordance with the wishes of Parliament as expressed in proposed section 21B) to receive the assistance by way of a direct per capita grant under section 21.

Proposed section 21E is a transitional provision, requiring the proprietor or principal of each non-government school that received financial assistance by way of a per capita grant under section 21 in the financial year ended 30 June 2001 to provide the Director-General with written notice of the annual fee charged by the school in respect of that financial year.