

***THE 'EDUCATION' BUDGET?***  
**FEDERAL BUDGET REPORT - 2007**

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## 1. OVERVIEW

Since the handing down of the 2007-08 Federal Budget on Tuesday May 8, the Government, and most of the media, have trumpeted that education is one of the Budget's 'Big Winners', with a "massive increase" of \$3.5 billion in education funding over four years.

On analysis though there is little new funding for public education and training across the early childhood, schooling and TAFE sectors.

Most of the increase (\$1.7 billion over four years) is for higher education. In addition to the \$1.7 billion, \$5 billion from this year's budget surplus will be used to establish the Higher Education Endowment Fund – to pay for the future costs of university infrastructure and research facilities. These measures are clearly aimed at countering Rudd/Labor's 'Education Revolution'.

Of the \$3.5 billion universities will receive around 50%; schools around 25%, the majority of it going to private schools; and VET around 18%.

Kenneth Davidson sums it up well:

*The budget papers forecast a return of \$300 million from the \$5 billion Higher Education Endowment Fund. This is a fraction of the return the Government could get by directly investing in recurrent funding of ... preschool, school and higher education.*

*'Smoke and Mirrors hide funding facts' The Age May 17 2007*

The schools Budget introduces some new measures as well as continues or expands current measures which **directly** fund individual students, schools, school communities and parents. Individual teachers can now be added to the list.

In addition, Howard and his education minister Julie Bishop have used announcements around the Budget to further their attacks on public education. They have made their intention to harden the threat of withdrawing funding to public schools to force the states/territories to comply with their demands crystal clear.

A number of new conditions for the next quadrennium of schools funding (2009-2012) have been added to the conditions for funding that were legislated by the passage of the *Schools Assistance (Learning Together – Achievement Through Choice and Opportunity) Act 2004*.

### Early Childhood

- No additional funding or announcements of any future intentions

### Schools

Funding to private schools will increase by 30% from 2006-07 to 2010-11, compared to 10% for government schools.

- Estimated funding to private schools will increase by \$1.7 billion, from \$5.8 billion to \$7.5 billion, from 2006-07 to 2010-11; a funding increase of 30% over that period.
- Estimated funding to public schools will increase by \$300 million, from \$3.1 billion to \$3.4 billion over that same period; an increase of 10%.

The public school share of Federal funding will continue to decline.

A range of new requirements will be imposed on the states/territories for the 2009-2012 funding quadrennium:

- introducing national teacher training and registration standards to improve the skills of new teachers;
- introducing core national standards for curricula in key subjects including English, maths, physics, chemistry, biology and Australian history for Years 11 and 12 and in English, maths, science and Australian history for Year 10 to deliver higher and more consistent quality in these subjects;
- including external assessment (such as public examinations) as part of Year 12 certificates and common descriptions of levels of achievement;
- introducing greater principal autonomy in school management and teacher employment arrangements (including the ability for principals to appoint and dismiss teachers);
- introducing performance-based pay for teachers to encourage and reward excellent teaching; and
- reporting school and student performance against national benchmarks (including literacy and numeracy results), with school and state comparisons.

The Government will also “encourage” the establishment of more selective high schools in the public system.

### **TAFE/VET**

The Government announcement of increased funding for the VET sector provides no additional recurrent or capital funding for TAFE.

The vast bulk of the new VET budget measures consist of direct payments to apprentices, a small percentage of the total number of students in the VET/TAFE system, with direct benefits to their employers, and 3 new Australian Technical Colleges.

Funding measures such as these highlight the unwillingness of the Federal Government to increase resources to the states and territories for the running of their TAFE Institutes and the ongoing tension between state and territory governments and the Commonwealth over funding of the VET system.

There is no additional funding for:

- TAFE infrastructure.
- the TAFE workforce.
- the majority of students in TAFE.

### **Indigenous Education**

The Budget reports \$187.3 million in new funding for DEST programs under the heading of ‘A Better Future for Indigenous Australians’ over the four years from 2007-08 to 2010-11.

The funding is targeted to:

- expanding the Indigenous Youth Mobility Program and the Indigenous Youth Leadership Program in order to assist Indigenous young people who relocate for education and training purposes;
- funding infrastructure work by existing private boarding schools in remote and regional areas to enable the upgrade of existing facilities and new developments to accommodate more students; and
- establishing three new boarding hostels and expanding two existing hostels.

Rather than implementing measures which enable Indigenous students to access a high quality education in their communities, all these measures are aimed at encouraging young Indigenous people to leave their communities.

## 2. TOTAL EDUCATION EXPENDITURE

According to the Budget Papers total education expenditures – schools (government and non-government), VET (including TAFE) and higher education – are estimated to increase by \$3.5 billion over four years; 9.0% in real terms from 2007-2008 to 2010-11, or 3.4% annually on average.

**Table 1: Total Education Expenditure Budget Papers 2007-08**

| EDUCATION                                  | Estimates     |               | Projections   |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | 2006-07       | 2007-08       | 2008-09       | 2009-10       | 2010-11       |
|  | \$m           | \$m           | \$m           | \$m           | \$m           |
| <b>Higher Education</b>                    | 5,372         | 5801          | 6,229         | 6,367         | 6,649         |
| <b>Vocational and Other Education</b>      | 1,617         | 1,657         | 1,673         | 1,699         | 1,754         |
| <b>Non-Govt Schools</b>                    | 5,772         | 6,256         | 6,591         | 7,025         | 7,523         |
| <b>Government Schools</b>                  | 3,103         | 3,230         | 3,125         | 3,269         | 3,449         |
| <b>Schools</b>                             | 8,874         | 9,486         | 9,716         | 10,294        | 10,973        |
| <b>Student assistance</b>                  | 486           | 512           | 533           | 531           | 533           |
| <b>General administration</b>              | 2             | 6             | 6             | 6             | 6             |
| <b>School Education - specific funding</b> | 199           | 290           | 334           | 312           | 313           |
| <b>Total Education</b>                     | <b>16,549</b> | <b>17,752</b> | <b>18,491</b> | <b>19,209</b> | <b>20,228</b> |

*Source: Education Table 7 Summary of Expenses (Budget Paper 1, 6-10)*

However, while there are increases in some areas, the 2007-08 Budget Papers reveal little evidence of a major increase in total education expenditure as a proportion of total Federal Government expenditure. In fact the projections over four years show:

- a decline in total education expenditure as a proportion of the total budget.
- a minimal increase in higher education funding share of the total.
- a decline in VET share of the total.
- an increase in private school share of the total.
- a decrease in public school share of the total.

**Table 2: Education Expenditure [Major Areas] as a Proportion of Total Federal Government**

## Expenditure

|                               | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | change |
|-------------------------------|-------|-------|-------|-------|-------|--------|
| <b>Total Education</b>        | 7.47  | 7.54  | 7.47  | 7.40  | 7.42  | -0.05  |
| <b>Higher Education</b>       | 2.42  | 2.46  | 2.52  | 2.45  | 2.44  | +0.02  |
| <b>VET</b>                    | 0.73  | 0.70  | 0.68  | 0.65  | 0.64  | -0.09  |
| <b>Non-Government Schools</b> | 2.6   | 2.66  | 2.66  | 2.71  | 2.76  | +0.16  |
| <b>Government Schools</b>     | 1.4   | 1.37  | 1.26  | 1.26  | 1.26  | -0.14  |
| <b>ALL SCHOOLS</b>            | 4.00  | 4.03  | 3.93  | 3.96  | 4.02  | +0.02  |

Source: from BP 1; pp6-5 and 6-10

According to the Budget Papers the major drivers of the education and training increases are:

1. new measures announced in the 2007-08 Budget;
2. "the effect of previously announced decisions"; and
3. "relatively" high indexation rates for schools funding.

The growth in VET funding is said to be "mainly driven by indexation to maintain real base funding levels over time". Effectively what this is saying is that there is no real increase in recurrent or capital funding and that the increase in the VET Budget allocation is a function of indexation.

The new VET measures announced as part of the Budget package are those included in the vocational and training sub-function in a separate section of the Budget [see VET Funding p10]

In the schooling sector, the Budget Papers say that total expenses to government and non-government schools are estimated to increase in real terms from 2007-08 to 2010-11 or 3.7% pa on average, with the main drivers being "new measures and indexation".

On examination, the "new measures" are targeted at comparatively small numbers of individual students, teachers and schools, and heavily biased in favour of private schools.

## Education/Training Funding and Indexation

Over the last ten years, it has been estimated that indexation accounts for approx. 75 per cent of the annual increase in schools funding.

The % value of the AGSRC index which indexes SPPs to schools is much more generous the indexation arrangements for most other programs; about three times more than that used for universities, for example, or even the CPI.

The response to a 2003 Senate QON re the indexation arrangements for all (then) DEST programs, and the % value at the time showed the difference between the AGSRC index and the indexation arrangements for most other programs.

AGSRC Index for Secondary School General Recurrent Grants: 7.4%

AGSRC Index for Primary School General Recurrent Grants: 7.1%

CPI Index for ABSTUDY – Secondary: 2.4%

WCI 1&4 Indices for VET – Funding: 2.3% & 2.6%

WCI 1 Index for National Programs: 2.3%

CAF Index for Higher Education Operating Grants: 2.3%

An update was requested at February's Estimates this year but not yet received.

### Schools Funding

Estimated funding to private schools will increase by \$1.7 billion, from \$5.8 billion to \$7.5 billion, from 2006-07 to 2010-11.

This represents a funding increase of 30% over that period.

Estimated funding to public schools will increase by \$300 million, from \$3.1 billion to \$3.4 billion over that same period; an increase of 10%.

**ie. a 30% increase to private schools compared to 10% for government schools from 2006-07 to 2010-11.**

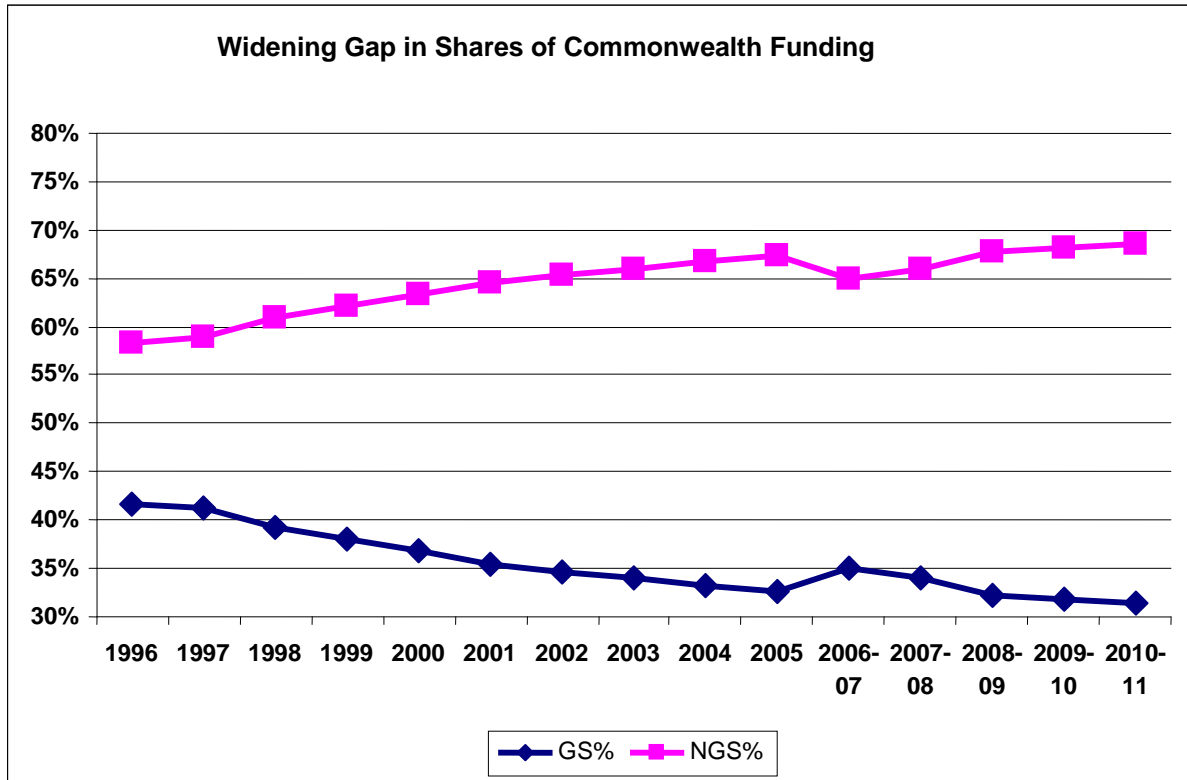
Calculated on an annual basis, the public/private percentage share is as follows:

**Table 3: Public/Private Share of Schools Funding 2006-07 to 2010-11**

| SCHOOL EDUCATION          | Estimates |         | Projections |         |         |
|---------------------------|-----------|---------|-------------|---------|---------|
|                           | 2006-07   | 2007-08 | 2008-09     | 2009-10 | 2010-11 |
|                           | \$m       | \$m     | \$m         | \$m     | \$m     |
| <b>Non-Govt Schools</b>   | 5,772     | 6,256   | 6,591       | 7,025   | 7,523   |
| <b>Government Schools</b> | 3,103     | 3,230   | 3,125       | 3,269   | 3,449   |
| <b>Total</b>              | 8,874     | 9,486   | 9,716       | 10,294  | 10,973  |
| <b>Private Share</b>      | 65%       | 66%     | 68%         | 68%     | 69%     |
| <b>Public Share</b>       | 35%       | 34%     | 32%         | 32%     | 31%     |

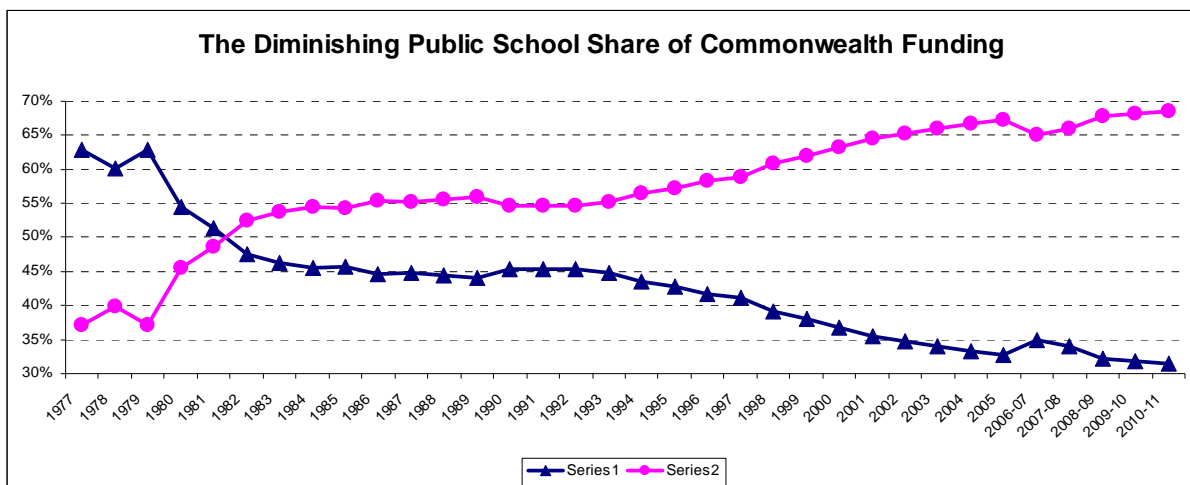
Source: Education Table 7 Summary of Expenses (Budget Paper 1, 6-10)

**Table 4: Government Schools as % of Commonwealth Schools Funding under the Howard Government**



Source: 1996 - 2005 - Reports on States Grants (Primary and Secondary Education Assistance) Act 1992; 2006-07 to 2010-11 Federal Budget Papers, 2007-08.

**Table 5: Commonwealth Funding Shares in Historical Perspective**



The Budget introduces some new measures as well as continues or expands current measures which **directly** fund individual students, schools, school communities and parents. Individual teachers can now be added to the list.

These measures include the extension of vouchers through the new Literacy and Numeracy Voucher scheme, additional Australian Technical Colleges, and the new schemes for directly rewarding schools for improvement in literacy and numeracy outcomes and Summer Schools for teachers. The Investing in Our Schools Program of direct payments to schools will continue and was extended by legislation passed in March 2007.

### **Coercive Requirements on the States and Territories**

The Government has used the Federal Budget to outline a range of additional requirements which will be forced on the states in order for them to receive education funding for the 2009-2012 funding quadrennium.

The new requirements in addition to those already contained in the *Schools Assistance (Learning Together – Achievement Through Choice and Opportunity) Act 2004* are outlined in Julie Bishop's Budget Night Media Release 'New Reforms to Improve School Standards'\*:

*... the Australian Government will, from 2009, require that government and non-government education authorities focus on improving school standards through:*

- *introducing national teacher training and registration standards to improve the skills of new teachers;*
- *introducing core national standards for curricula in key subjects including English, maths, physics, chemistry, biology and Australian history for Years 11 and 12 and in English, maths, science and Australian history for Year 10 to deliver higher and more consistent quality in these subjects;*
- *including external assessment (such as public examinations) as part of Year 12 certificates and common descriptions of levels of achievement;*
- *introducing greater principal autonomy in school management and teacher employment arrangements (including the ability for principals to appoint and dismiss teachers);*
- *introducing performance-based pay for teachers to encourage and reward excellent teaching; and*
- *reporting school and student performance against national benchmarks (including literacy and numeracy results), with school and state comparisons.*

*To encourage greater choice within the government school sector, the Australian Government will also encourage the establishment of more selective high schools.*

[\* [http://www.dest.gov.au/ministers/bishop/budget07/bud20\\_07.htm](http://www.dest.gov.au/ministers/bishop/budget07/bud20_07.htm)]

No specific Budget measures are outlined for performance pay and greater principal autonomy, but various announcements by Howard and Bishop make their intentions clear.

## 1. Performance Pay

State governments will be forced to introduce performance pay for teachers, which is described by the Government as “performance based remuneration to encourage and reward quality teaching”.

Source: Budget Overview ‘Realising Our Potential’ p11  
[http://www.budget.gov.au/2007\\_08/overview2/html/overview\\_01.htm](http://www.budget.gov.au/2007_08/overview2/html/overview_01.htm)

Together with two new budget measures – the Summer Schools for Teachers and the rewarding of schools for improvements in literacy and numeracy outcomes – this signals the Government’s ideologically driven determination to implement performance pay regardless of both the research-based evidence and the states/territories’ opposition to it.

Badging the Summer Schools initiative as ‘Rewarding Australia’s high quality teachers’, together with Julie Bishop’s announcement that the rewarding of schools for improving their literacy and numeracy outcomes could be used by principal to pay ‘greater rewards to outstanding teachers’, confirms that these measures are part of a broader strategy to enforce performance pay.

## 2. Greater Principal Autonomy

In addition to having the power to determine which individual teachers should receive these rewards, the States will also be forced to give principals greater autonomy to hire and fire teachers.

Speaking to Tony Jones on *Lateline* [May 14] Julie Bishop said:

... what we're seeking to do now is to be far more specific about what we mean. We mean that principals should have the statutory right to hire teachers, to dismiss teachers who are not performing according to a criteria, to be able to have a say in who is teaching in their school.

Source: <http://www.abc.net.au/lateline/content/2007/s1922763.htm>

This adds to comments made by the Minister earlier in the year, such as that quoted by Samantha Maiden in *The Australian* on February 8:

*If they could hire the people that would add value to their school, if they could fire the people who are detrimental to their school, then they would be in a better position to assure parents and the community that they're delivering a quality education for the children.*

Source: <http://www.careerone.com.au/jobs/job-search/job-market-insider/teachers-pay-to-be-linked-to-performance>

## VET Funding

Within the context of the Federal Budget, funding for VET delivery generally combines funding reported as “Vocational and Other Education” [VOE] as part of the “Education” function in the Budget Papers.

Funding described as “Vocational And Industry Training” [VIT] is reported as part of the “Other Economic Affairs” function in the Budget Papers.

It is this section of the Budget which incorporates the new funding measures for apprenticeships and various incentives for trainees and employers.

**Table 6: VIT Funding**

| OTHER ECONOMIC AFFAIRS           | Estimates |         | Projections |         |         |
|----------------------------------|-----------|---------|-------------|---------|---------|
|                                  | 2006-07   | 2007-08 | 2008-09     | 2009-10 | 2010-11 |
|                                  | \$m       | \$m     | \$m         | \$m     | \$m     |
| Vocational and Industry Training | 698       | 906     | 965         | 975     | 1021    |

Source: Table 3: Summary of Expenses, Australian Government Budget, Vocational and Industry Training 2007-08 (BP1, p. 6-24)

The estimated increase in the “Vocational and Other Education” component of VET funding from \$1,617 million in 06-07 to \$1,657 in 07-08 constitutes an increase of 2.47%, which essentially represents indexation only according to the TAFE funding index used by DEST.

The only real growth in VET funding is contained in the other measures included in the vocational and industry training sub-function above.

**Table 7: “Vocational and other Education” (VOE) plus “Vocational and Industry Training” (VIT) Expenditure as a Proportion of Total Federal Government Expenditure**

|                            | 06-07 (% of total Budget) | 07-08 (% of total Budget) | 08-09(% of total Budget) | 09-10 (% of total Budget) | 10-11(% of total Budget) |
|----------------------------|---------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
| <b>Total VOE &amp; VIT</b> | 1.04                      | 1.09                      | 1.07                     | 1.03                      | 1.02                     |

Calculated from BP 1, pp. 6-5, 6-9, 6-22

Again, despite the government and media talk of massive increases, total VET funding declines as a proportion of total expenditure over the next four years.

### 3. EDUCATION AND TRAINING BUDGET MEASURES 2007-08

Source: Budget Paper No. 2 Budget Measures 2007-08

#### The 'Realising Our Potential Package'

The **Realising Our Potential** package covers universities, vocational education and training and the schools sectors.

According to the Government it represents an extra investment of \$3.5 billion into education and training over 4 years. A further \$5 billion from the 2006-07 surplus will be used to establish the Higher Education Endowment Fund to pay for the future costs of university infrastructure and research facilities.

**Table 8: Summary of 'Realising our Potential' Expenditure Measures VET and Schools**

| REVENUE MEASURES  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Total |
|---|---------|---------|---------|---------|-------|
|   | \$m     | \$m     | \$m     | \$m     | \$m   |
| <b>Realising Our Potential' - VET</b>                             |         |         |         |         |       |
| Support for young Australian apprentices in skill shortage trades | 69.3    | 87.1    | 90.7    | 95.4    | 342.5 |
| Fee assistance for Australian Apprentices                         | 47.8    | 52.2    | 52.9    | 53.6    | 206.4 |
| Fast-track apprenticeships  | 6.4     | 11.8    | 17.3    | 23      | 58.5  |
| FEE-HELP for Dip and Adv Dip VET courses                          | 4.3     | 3.4     | 3.5     | 3.4     | 14.5  |
| Australian Technical Colleges                                     | 1.1     | 19.8    | 27.4    | 17.1    | 65.4  |
| <b>Realising Our Potential' - Schools</b>                         |         |         |         |         |       |
| National literacy and numeracy vouchers                           | 70.9    | 120.9   | 131.4   | 134.1   | 457.4 |
| Additional support for regional and remote NGS schools            | 15.4    | 32.2    | 35.2    | 38.3    | 121.1 |
| Rewarding schools for improving literacy and numeracy outcomes    | 2.2     | 17      | 16.9    | 17      | 53.2  |
| Improving the practical component of teacher education            | 18.8    | 19.2    | 19.4    | 19.6    | 77    |
| Aust Govt Summer Schools for Teachers                             | 30.0    | 24.8    | 23.2    | 23.6    | 101.7 |
| National teacher training and registration standards              | 2.7     | 2.2     | 0       | 0       | 5     |
| Core curricula standards  | 4.4     | 8.6     | 0       | 0.1     | 13.0  |
| National student aptitude test for tertiary admission             | 4.9     | 4.8     | 4.8     | 0       | 14.5  |
| <b>CAPITAL MEASURES</b>   | 0       | 0       | 0       | 0       | 0     |

Source: [http://www.aph.gov.au/budget/2007-08/overview2/html/overview\\_14.htm](http://www.aph.gov.au/budget/2007-08/overview2/html/overview_14.htm)

## VET

The package of new vocational education and training measures is comprised of 5 initiatives and reflect the Federal Government's focus on funding measures such as Australian Apprenticeships and ATCs largely through direct payments to individuals rather than increasing funding to the states and territories for the running of their TAFE Institutes.

This is confirmed by Budget analysis undertaken by the Social Policy Section of the Parliamentary Library [available at <http://www.aph.gov.au/library/pubs/RB/2006-07/07rb12.pdf>] compares the size of the increase on these measures with the other main area of Commonwealth VET expenditure – payments to the states and territories to support them in the funding of their TAFE institutes and other providers.

Its contribution under the *2005-2008 Commonwealth-State Agreement for Skilling Australia's Workforce* provided additional funding of only \$215 million for the quadrennium. With the new expenditure in this budget the Federal Government's expenditure on grants to the states and territories will decline as a proportion of the Commonwealth's administered expenses on VET, from 52% in 2006-07 to 47% in 2007-08.

### **1. Support for young Australian apprentices in skill shortage trades**

- \$342.5 million over four years, for first and second year Australian Apprentices under 30 years of age in skill-shortage trades to receive a tax exempt payment of \$1,000 per annum as a wage top-up.
- To be paid in six-monthly instalments of \$500 and will assist these Australian Apprentices to complete the first two years of their training.
- Estimated to benefit around 228,000 apprentices over four years.

### **2. Fee assistance for Australian Apprentices**

- \$206.4 million over four years to first and second year Australian Apprentices in skill shortage trades to assist them with the cost of course fees which are part of their apprenticeship training.
- Assistance to these apprentices will be provided through a voucher worth up to \$500 per year to reimburse costs of course fees at a Registered Training Organisation such as a TAFE.
- Estimated to benefit around 252,000 apprentices over four years.

Together these two measures, to be implemented from 1 July, comprise over 80% [approx 82%] of the total VET package, yet they are payable to individuals - individuals who form a subset of the 25% of students currently in TAFE<sup>1</sup> who are apprentices - and are effectively a wage subsidy to employers.

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<sup>1</sup> There are currently 1.64 million students in the vocational education and training system in Austral; around 1.3 million in TAFE. As at September 2006 there were 404,200 apprentices in-training, 159,000 of whom were 'traditional apprentices'.

There is nothing for the other 75+% of students in TAFE.

### **3. Fast-track apprenticeships**

- \$58.5 million over four years to Registered Training Organisations (RTOs) to partner with industry and local employers to develop and implement fast-track apprenticeships with competency-based progression, so that apprentices can be trained more quickly and enter the workforce more quickly.
- RTOs will be able to apply for up to \$50,000 to work with industry partners to develop innovative on-the-job and off-the-job training that focuses on the acquisition of skills and competencies, rather than time served, with appropriate safeguards.

### **4. FEE-HELP for Dip and Adv Dip VET courses**

- Extension of FEE-HELP to full-fee paying students in Diploma and Advanced Diploma courses that are accredited as Vocational Education and Training (VET) qualifications, where significant credit towards a university degree is guaranteed and agreement with States and Territories is reached on mechanisms to ensure TAFE fees do not increase as a consequence.
- This measure will promote Diploma and Advanced Diploma pathways to higher education. FEE-HELP is already available where courses are accredited as higher education courses, but not if accredited as a VET course. As a result, students undertaking very similar courses are currently treated differently.

### **5. Australian Technical Colleges**

- \$83.6 million over five years\* (including \$18.2 million in 2011-12) for the establishment and operation of a further three Australian Technical Colleges in the Brisbane, Sydney and Perth areas.

\* \$65.4 from 2007-08 to 2010-11

- This will take the total number of colleges to 28, accommodating up to 8,400 Year 11 and 12 students undertaking school-based New Apprenticeships, and academic, IT and business courses. Five colleges commenced in 2006 and a further 20 colleges will be in operation by the start of 2008. The three additional colleges established under this measure will be in operation by the start of 2009.
- The Government has already provided \$469.8 million over seven years in the *Mid-Year Economic and Fiscal Outlook 2004-05* and \$117.4 million over four years in the *Mid-Year Economic and Fiscal Outlook 2006-07* for the establishment and operation of 25 Australian Technical Colleges.

The provision of another \$83.6 million over five years for three more Australian Technical Colleges in key marginal areas is a testament to the Government's ideological commitment to privatisation and undermining public provision.

It comes despite the fact that hundreds of millions of dollars have already been spent on the existing ATCs and enrolments remain small. With the added funding for the three new ATCs the establishment costs for these colleges is expected to amount to a total of \$552 million, excluding

the ongoing schools funding which they receive.

Vocational Education and Training Minister Andrew Robb claims that the Government is 'on track' with its enrolment target of 2,000 students for this year and anticipates that there will be close to 10,000 enrolments by 2009.

This is hard to take seriously.

According to *The Age*, the Government is believed to have ordered the colleges not to release details of student numbers before an audit by accounting firm KPMG, but estimates that there were about 380 Victorian enrolments by March this year.

Based on these estimates, *The Age* claims the colleges "are costing an average of \$25,000 for each student per year; at least double the \$9500 to \$12,000 spent training the average technical student in TAFE".

Across Australia the money spent on the small number of students enrolled in the ATCs, which duplicate and undermine existing VET provision in schools and TAFE, would have gone a long way to make up the nationwide shortfall in TAFE places.

## SCHOOLS

### National Literacy and Numeracy Vouchers

#### Budget Allocation:

|         |          |          |          |
|---------|----------|----------|----------|
| 2007-08 | 2008-09  | 2009-10  | 2010-11  |
| \$70.9m | \$120.9m | \$131.4m | \$134.1m |

#### The Budget papers say:

- \$457.4 million over four years
- \$700 tutorial voucher per child from 1 January 2008, to parents whose children do not achieve current literacy or numeracy benchmarks in Years 3, 5 and 7
- to be extended to eligible students in Year 9 from 1 January 2009
- tutors will be required to utilise a range of teaching methods reflecting contemporary evidence, such as the findings of the National Inquiry into the Teaching of Literacy, in developing their approach to individual learning needs. The performance of tutors will be monitored under the program.

#### Comment:

This measure is an extension of the Reading Assistance Voucher Program for students not meeting the Year 3 national benchmark for reading in 2006. The increase comes despite the fact that analysis of the existing program raises serious doubts about its effectiveness.

Answers to Senate Estimates questions last year revealed that:

- tuition payments of \$4,450,000 had been made from the pilot scheme by June 2006, while \$1,852,000 had been spent on the program's administration; almost 30% of the funds.
- Nationally the vouchers got through to only 36% of children eligible for them; less than 50% of eligible children in most states; just 12% in Victoria and 18% in Queensland.

While the take up rate for the follow-up Reading Assistance Voucher Program was better – around 60% - the Australian Primary Principals Association reports that the current Year 3 voucher system has not worked for all children with a number of families not even taking up the offer.

In February this year only 10,000 of the 16,500 eligible students had taken up the offer.

There is also concern that the extension of the program to other grades has apparently taken the place of the government's own reading review recommendations, which have been totally ignored.

The very first sentence of the Executive Summary of the report of the National Inquiry into the Teaching of Literacy states that effective literacy teaching should be grounded in findings from rigorous evidence-based research. The Review's recommendations stress the importance of school-based literacy improvement strategies and the importance of teacher professional learning.

One of the most significant recommendations is for a specialist literacy teacher in every school with responsibility for linking the whole-school literacy planning process with classroom teaching and learning, and identifying and providing professional learning for school staff.

This 'hit and miss' approach of direct payments to parents of children identified as falling below the benchmark flies in the face of the evidence and is more representative of the Government's ideological commitment to privatisation and cash payments to individuals than well targeted coordinated expenditure.

### **Additional support for regional and remote schools**

#### **Budget Allocation:**

|         |         |         |         |
|---------|---------|---------|---------|
| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
| \$15.4m | \$32.2m | \$35.2m | \$38.3m |

#### **The Budget papers say:**

- \$121.1 million over four years to fund a regional/remote loading in addition to current funding delivered to non-government schools
- State and Territory governments will be required to provide an equivalent increase in resourcing for regional/remote government schools in the 2009-12 schools funding agreement
- will be calculated using the Accessibility/Remoteness Index of Australia (ARIA) classification, with schools in 'Moderately Accessible', 'Remote' and 'Very Remote' areas receiving an additional 5, 10 and 20 per cent of their socio-economic status funding entitlement respectively
- additional funding will be available from 1 January 2008

#### **Comment:**

This measure shows that the Government recognises the higher cost of delivering schooling in regional and remote Australia when it suits them.

Announcing the measure Julie Bishop said that it was important for all governments to "recognise that regional communities face unique hardships and need assistance through the provision of funding where it is most needed"; that schools require additional funding to direct to those areas which most seriously affect their capacity to offer a quality education. For instance, she said, the funding could be directed to attract quality teachers or increase staff retention, used to extend ICT facilities or improve teacher access to professional development.

But providing this additional funding to public schools in remote and regional areas is not their responsibility according to the Government. Julie Bishop has announced that the next schools funding agreement will require state and territory governments to provide an equivalent increase in funding for regional and remote government schools from 2009.

The provision of \$121 million over four years to support students in more than 400 regional and remote non-government schools is another blatant bolstering of private schools at the expense of the real needs of public schools in such areas.

## Rewarding schools for improving literacy and numeracy outcomes

### Budget Allocation:

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$2.2m  | \$17m   | \$16.9m | \$17m   |

### The Budget Papers say:

- \$53.2 million over four years to encourage schools to lift the literacy and numeracy performance of their students.
- following the introduction of national literacy and numeracy tests in 2008, public and private schools that can demonstrate improvements in literacy and numeracy outcomes will be eligible to apply for rewards of up to \$50,000 per annum.
- Schools can apply directly to DEST and awards will be determined by the Minister, taking into account advice from “an independent assessment panel”.
- Around 300 schools per year are expected to benefit from this measure from the end of 2008.

### Comment:

The idea that approaching a nationwide improvement in literacy and numeracy outcomes through ‘rewards’ to small numbers of individual schools who exhibit what the Minister and her “independent assessment panel”, which could well be chaired by Kevin Donnelly, deem to be “excellence in teaching” and “demonstrable improvements in standards as measured by the Years 3, 5, 7 and 9 national literacy and numeracy assessments to be introduced in 2008” is risible.

ABS Schools, Australia 2006 indicates that there are 9612 schools in Australia; 6,902 public and 2,710 private. 300 schools constitute 3% of schools across the country.

Already there are predictions that the Government’s offer of cash rewards to schools will encourage them to compete to attract the ‘brightest’ students, a move which would further discriminate against lower-performing students.

Save Our Schools (SOS) spokesman Trevor Cobbold: The money could be better used to increase school funding rather than encouraging destructive competition between schools. Julie Bishop's new scheme is just a \$53 million competition fund to see which schools can enrol more high-achieving students and expel more low-achieving students. Schools now have an immediate financial incentive to game the system by encouraging low achievers to leave the school rather than spend the time and resources to improve their learning. The easiest way for schools to improve their performance will be to replace low-achieving students with those who generate better test results. They can do this by 'creaming off' high-achieving students from other schools and/or by getting rid of their low-achieving students."

It is also part of Julie Bishop’s broader plan to force performance pay onto the teaching profession. In an interview with the Sydney Morning Herald [John Garnaut and Anna Patty, ‘Bishop spends \$53 on apples for teachers SMH May 11, 2007] she was quite candid about her intentions. “It [the money] will go to the principal of a school to use in ways that enhance literacy and numeracy in the school and that will include rewarding teachers who are responsible for that”. Principals will decide how the \$50,000 will be spent, but performance pay is an option.

## Australian Government Summer Schools for Teachers

### Budget Allocation:

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$30m   | \$24.8m | \$23.2m | \$23.6  |

### The Budget papers say:

- \$101.7 million over four years to fund the establishment and ongoing operation of Australian Government Summer Schools for Teachers to improve teacher quality.
- up to 1,000 teachers per annum to receive professional development in one of five disciplines: Literacy and Numeracy; Australian History; Maths; Science; and English.
- cost of teachers participating in the 10-day residential programme, including travel and accommodation expenses, to be fully funded by the government.
- \$5,000 bonus for each teacher on completion of the course.
- teachers will be recommended for participation by their school (ie. by the Principal) and selected by the Government.
- The first Summer School will be in January 2008.

### Comment:

Julie Bishop calls this initiative 'Rewarding Australia's high quality teachers' and says that it will "improve overall student outcomes".

Just how annually rewarding up to 1000 teachers who are deemed to be outstanding by their Principals will lift the overall standards of the 3.4 million students [1.94 million primary and 1.43 million secondary] in Australia's 9,600 schools staffed by 270,000 teachers [240,000 FTE – 51% primary 49% secondary] is something of a mystery.

1000 teachers represent just 0.4% [FTE] of Australia's teachers, and just one teacher for every 10 schools; the number of students taught by this small number of teachers a mere fraction of the total student population. Tongue-in-cheek critics are having fun with the notion that it would take over 200-300 years for all teachers in Australia to attend.

The whole proposal does nothing to address the professional development needs of Australia's teachers or schools, and again goes against the evidence of what constitutes the most effective forms of teacher professional learning and development.

Given that the teachers to be chosen are those deemed to be "outstanding" it's not too hard to see the \$5,000 bonus to these teachers as another form of individual performance pay, similar to that outlined in the section on 'Rewarding schools for improving literacy and numeracy outcomes' [page ]

Of her plans for cash rewards to individual schools and the \$5000 bonus – plus travel and accommodation expenses – to the teachers selected to attend the summer school, Julie Bishop herself has said, "I've been signposting [performance pay] for quite some time. If people want to join the dots it's all there." The rewards will be delivered through public and private schools, with or without the cooperation of state governments. [SMH May 11 2007]

## Improving the practical component of teacher education

### Budget Allocation:

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$18.8m | \$19.2m | \$19.4m | \$19.6  |

- \$77.0 million over four years to improve the practical component of teacher education to ensure all teacher-education students are provided with sufficient high quality practical experience in schools before entering the teaching profession.
- from 1 January 2008, an additional \$450 per full-time equivalent student place to universities that deliver a minimum of 120 days of practical experience for each student over a three or four-year degree and a minimum of 60 days practical experience for one or two-year courses.

## National teacher training and registration standards

### Budget Allocation:

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$2.7m  | \$2.2m  | -       | -       |

- The Government will work with state and territory education authorities, representatives of the teaching profession and other stakeholders to develop national teacher training and registration standards.
- This will provide improvements to teacher education and more consistent, high-quality teaching across Australia.
- This measure includes \$5.0 million to allow the Department of Education, Science and Training to work with stakeholders to agree on the national standards.
- The adoption of the agreed national teacher training and registration standards will be a condition of Australian Government funding under the next schools funding agreement.

## Core curricula standards

### Budget Allocation:

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$4.4m  | \$8.6m  | -       | -       |

- \$13.0 million over two years to work with the States and Territories to develop core curricula standards in English, Maths, Physics, Chemistry, Biology and Australian History for Years 11 and 12, and English, Maths, Science and Australian History for Year 10, to assist in raising standards in schools.
- Adopting the resulting standards, as well as externally-moderated assessment for Year 12 exit certificates and common descriptions of levels of attainment, will be conditions of funding in the 2009-12 schools funding agreement with the States and Territories.

**Other Related Expense Measures [not contained within the 'Realising Our Potential' package]**

**COAG — development of national standards for teaching literacy and numeracy**

**Budget Allocation:**

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$1.3m  | -       | -       | -       |

- up to \$1.3 million in 2007-08 to work with the States and Territories to develop a set of nationally consistent core standards for teaching literacy and numeracy.
- these standards will underpin teacher pre-service education in literacy and numeracy, registration of teachers and professional learning and development in literacy and numeracy. Costs will be shared with the States and Territories, with the Commonwealth contribution identified in this measure.
- *This measure will help to raise standards in schools, along with literacy and numeracy leadership standards for principals and core standards for secondary school curriculum in key areas.*

This measure forms part of an agreement made by the Council of Australian Governments (COAG) on April 13 2007. Further information can be found in the Communiqué, available from [www.coag.gov.au](http://www.coag.gov.au).

**COAG — literacy and numeracy leadership standards for principals**

**Budget Allocation:**

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$0.6m  | -       | -       | -       |

- up to \$0.6 million in 2007-08 to work with the States and Territories to develop a core set of skills, knowledge and attributes to enable principals to more effectively lead literacy and numeracy teaching and learning.
- Costs will be shared with the States and Territories, with the Commonwealth contribution identified in this measure.
- *This measure will help to raise standards in schools, along with development of national standards for teaching literacy and numeracy and core standards for secondary school curriculum in key areas.*

This measure forms part of an agreement made by the Council of Australian Governments (COAG) on April 13 2007. Further information can be found in the Communiqué, available from [www.coag.gov.au](http://www.coag.gov.au).

## National student aptitude test for tertiary admission

### Budget Allocation:

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$4.9m  | \$4.8m  | \$4.8m  | -       |

- \$14.5 million over three years to trial the use of student aptitude tests by universities as a supplementary or alternative mechanism for assessing Year 12 students seeking entrance to a tertiary course.
- This does not seek to replace tertiary entrance scores as the primary selection tool for entrance to university. However, where appropriate, student aptitude test results could be incorporated by universities as a broader indicator of a student's ability to succeed at university.
- Around 20,000 students per year to participate in a three-year trial starting in 2008 using an existing test, such as uniTEST, currently being trialled by Monash University and the Australian National University, or the Special Tertiary Admissions Test (STAT), used for alternative (mostly mature-age) entry to many Australian universities

## Humanitarian settlement initiatives — increased per capita funding for English as a Second Language

### Budget Allocation:

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$28.4m | \$31.4  | \$33.1  | \$34.9  |

- \$127.8 million over four years to double the existing per capita rate of funding paid to state and territory governments and non-government education bodies for eligible humanitarian entrants under the English as a Second Language — New Arrivals Programme.
- The new per capita rate of \$10,554 will support 12 months of intensive English language support for newly arrived humanitarian entrants in Australian schools.
- Additional Australian Government administration costs of \$1.1 million over four years to implement this measure will be met from within the existing resourcing of the Department of Education, Science and Training.

## Investing In Our Schools Program — continuation

### Budget Allocation:

| 2007-08  | 2008-09 | 2009-10 | 2010-11 |
|----------|---------|---------|---------|
| \$190.1m | \$5.8   | -       | -       |

- an additional \$195.9 million over two years to undertake a fourth and final funding round of the Investing in Our Schools Program.
- This final funding round will particularly target those schools which have not yet received a grant under the programme.
- This measure involves funding for government schools of \$127.0 million and funding for non-government schools of \$54.0 million.

- Funding of \$14.9 million will be provided to DEST to administer the programme.
- This measure extends arrangements announced as part of the 2004 election commitment titled Investing in Our Schools: a billion dollar investment in our School Infrastructure and is included in the Schools Assistance (Learning Together – Achievement Through Choice and Opportunity) Act 2004.

## **EARLY CHILDHOOD**

There were no early childhood initiatives contained within the Budget.

This is despite the fact that the lack of a national early childhood education strategy perpetuates the situation whereby tens of thousands of Australian children miss out on vital early education.

The most recent published Government data suggests that at least 43,000 or nearly 17% of Australian children missed out on preschool in the year before school in 2005, and that children's access to early education depends on where they live and what their parents can afford.

Australia has the worst record of developed countries in this area, ranking the lowest of 24 OECD countries on education spending for 3-4 year olds. The picture is even worse for Aboriginal and Torres Strait islander children, with only 56% of four year olds attending preschool.

## **INDIGENOUS EDUCATION**

According to the Government, the 2007-08 Budget provides additional funding of \$748.3 million over five years (including \$61.8 million in 2006-07) for a package of 26 measures which "address the priority areas of Indigenous disadvantage identified by the Ministerial Taskforce on Indigenous Affairs in consultation with the National Indigenous Council."

The package of measures – badged as 'A Better Future for Indigenous Australians' claims to represent major new investments in Indigenous housing, economic development, health and education.

### **'A Better Future for Indigenous Australians - opportunities for education'**

- \$177.4 million over five years (including \$50.0 million in 2006-07) to support Indigenous students through the education system.
- \$69.1 million over four years (2007-08 to 2010-11) will be provided to the Department of Education, Science and Training (DEST) to expand the Indigenous Youth Mobility Program from 640 to 1,500 places and the Indigenous Youth Leadership Program from 250 to 1,000 places over this period.

The Government says this will enhance training and employment services, assist with accommodation and provide leadership opportunities for Indigenous young people who relocate for education and training purposes.

- funding of \$65.3 million to DEST over three years (2006-07 to 2008-09) to support infrastructure works by existing non-government boarding schools in remote and regional areas.

The funding for infrastructure is intended for the repair and replacement of existing boarding school facilities and to support new developments to accommodate more students.

The Department of Families, Community Services and Indigenous Affairs (FaCSIA) will establish three new boarding hostels and expand two existing boarding hostels at a cost of \$38.8 million over four years (2007-08 to 2010-11). Aboriginal Hostels Limited will operate two of the new boarding hostels at

a cost of \$2.4 million over two years (2009-10 to 2010-11). Funding of \$1.7 million over three years (2008-09 to 2010-11) will be provided to extend the YouthLinx and Reconnect programs, administered by FaCSIA, allowing assistance and support to students of the new hostels.

#### **‘A Better Future for Indigenous Australians - COAG Work Skills Vouchers ‘**

Budget Allocation:

| 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------|---------|---------|---------|
| \$4m    | \$4.8m  | \$6.3m  | \$6.3m  |

- \$21.4 million over four years to work with the Queensland, South Australian, Western Australian and Northern Territory Governments to “increase the effectiveness of Work Skills Vouchers under the Skills for the Future package.”

According to the Government, this will better address the special education needs of Indigenous adults aged 25 years or older in regional and remote communities.

The funding will be used to develop courses targeted at local employment needs and, in some cases, to improve inadequate learning facilities.

The participating states and territories will be required to match the funding.

#### **A Better Future for Indigenous Australians - building an Indigenous workforce in government service delivery**

- \$97.2 million over four years to “convert” Community Development Employment Project (CDEP) positions - including those in schools and childcare – into what it calls “normalised employment arrangements”.

The cost of converting these CDEP positions will be offset by \$35.9 million in reduced CDEP programme funding, resulting in net expenses of \$61.3 million over four years.

#### **A Better Future for Indigenous Australians — improved access to child care and early childhood services**

- \$23.5 million over 4 years to improve access to child care and early childhood services for Indigenous Australians.

This measure includes establishing 20 new child care service hubs in rural and remote communities that have high Indigenous populations.

These new services will develop partnerships with other early childhood services, including health and family support services such as parenting and nutrition programs..

The Government says this will deliver an integrated early childhood service in selected rural and remote communities.

The measure will also change the funding arrangements of 25 existing child care services over a three-year period, to operate under mainstream funding arrangements for child care rather than direct budget funding. This will provide parents who use these services with access to the Child Care Benefit and the Child Care Tax Rebate.

While this appears to be a welcome new Budget initiative, what it means in terms of the totality of early childhood provision and the grossly inadequate provision of early childhood provision for Indigenous children requires further investigation and analysis.

#### 4. FEDERAL GOVERNMENT PAYMENTS TO THE STATES

**Source: Budget Paper No.3 Federal Financial Relations 2007-08**

Federal Government payments to the States consist of general revenue assistance and specific purpose payments [SPPs].

**General Revenue Assistance:** broad category of financial assistance payments provided to the States to spend according to their own budget priorities.

From 2007-08, the Government estimates that it will no longer provide any general revenue assistance to the States. This form of revenue is now largely replaced by the provision of GST revenue to the States.

The Government will continue to provide SPPs to state and local governments.

**Specific Purpose Payments:** SPPs are “a financial contribution to significant areas of state responsibility which the Federal Government makes in pursuit of its policy objectives.”

As a general rule the States need to fulfil specified conditions in order to receive these payments which cover most functional areas of state and local government activity, including education, health, social security, housing and transport.

There are broad categories of payments:

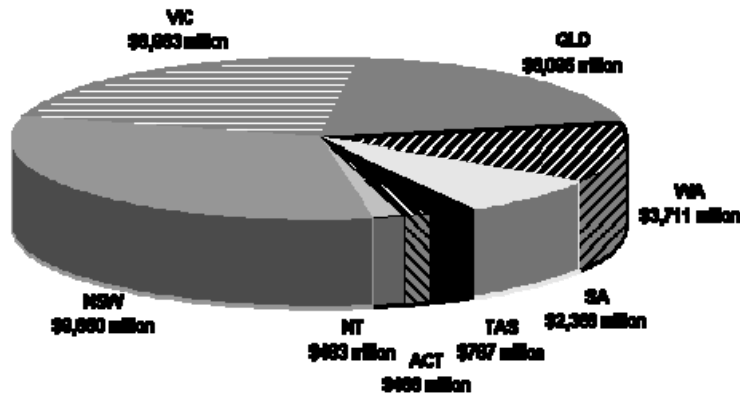
- to help fund state govt functions
- payments made through the states where the state governments distribute the funds to other organisations such as private schools
- payments to local governments

Specific Purpose Payments constitute the bulk of payments to the states. For schools, SPPs represent an estimated 82% in 2007-08.

#### 2007-2008 Budget

For 2007-08, SPPs will total \$30.8 billion, an increase of \$2.5 billion from 2006-07; 13.1% of total Australian Government expenditure. Of this \$28.5 billion will go to the States; \$2.3 billion to local governments.

**Table 8: State shares of Australian Government payments, 2007-08**

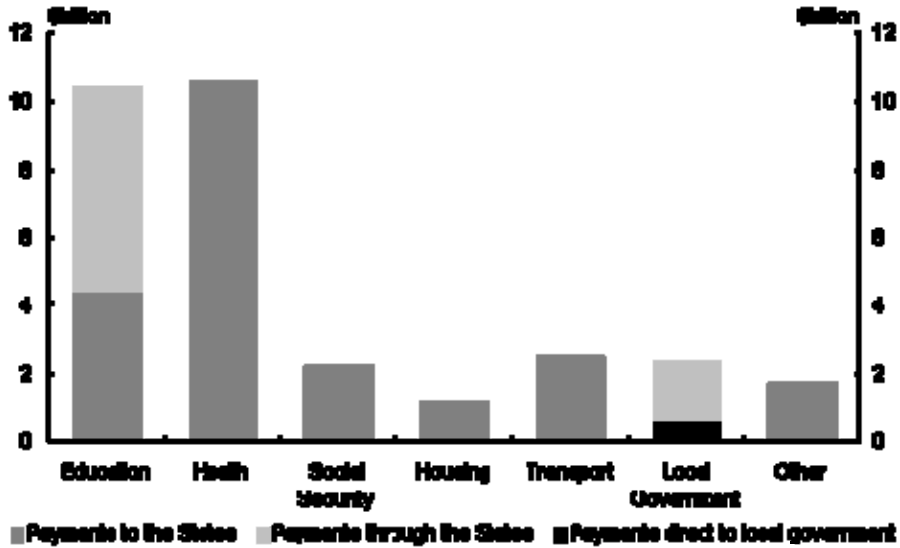


Source: BP 3 p15

SPPs for education, health, and transport are estimated to account for 76.2% of all SPPs.

SPPs within the education category encompass payments for schools, vocational education and training.

**Table 9:**



Source: BP 3 p20

**‘Tied’ and ‘Untied’ SPPs**

Most SPPs are ‘tied’, meaning that they are subject to conditions imposed by the Federal Government; either as:

- general policy conditions; or
- a requirement that funds are used for a specific purpose only.

Many ‘tied’ payments are made subject to States maintaining real growth in their own financial contributions to a specified program area, or matching the Commonwealth’s funding contributions.

States are required to report agreed financial and performance information relating to each ‘tied’ payment in order to evaluate whether the national objectives are being achieved.

‘Untied’ payments are those SPPs not subject to conditions relating to expenditure.

**SSPs for Education 2007-08 Budget**

The following tables provide accrual estimates of SPPs for education for the period 2006-07 to 2010-11. This includes payments for current and capital purposes, and advances [loans] to the States, including new advances, interest on advances and repayments by the States.

They are divided into those paid to the States and those paid through the States to be passed on to other organisations eg. private schools. Payments through the States are indicated with an asterisk.

**Table 10: Estimated SSPs to the States 2006-07 to 2010-11: Recurrent Funding**

| <b>SPECIFIC PURPOSE PAYMENTS – CURRENT PURPOSES</b>   |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>EDUCATION FUNCTION</b>   | <b>2006-07</b> | <b>2007-08</b> | <b>2008-09</b> | <b>2009-10</b> | <b>2010-11</b> |
| <b>Government schools (a)</b><br>Provides supplementary assistance to State and Territory education authorities through per capita general recurrent grants which can be applied to staff salaries, teacher PD, curriculum development and maintenance and general operational provisions   | 1,795,605      | 1,931,581      | nfp            | nfp            | nfp            |
| <b>Non-Government schools (a) *</b><br>Provides supplementary assistance to non-government schools and systems through per capita general recurrent grants which can be applied to staff salaries, teacher PD, curriculum development and maintenance and general operational provisions  | 5,082,265      | 5,509,193      | nfp            | nfp            | nfp            |
| <b>Skilling Australia's Workforce (a)</b><br>Funds are used to promote a national vocational education and training system  | 1,239,776      | 1,256,372      | nfp            | nfp            | nfp            |
| <b>Targeted programs – government schools and joint (a)</b><br>Provides assistance: for the improvement of literacy, numeracy and education outcomes for educationally disadvantaged students; to promote the study of other languages; and to assist in the transition from school to work   | 432,189        | 472,318        | nfp            | nfp            | nfp            |
| <b>Targeted programs – non-government schools (a) *</b><br>Provides assistance: for the improvement of literacy, numeracy and education outcomes for educationally disadvantaged students; to promote the study of other languages; and to assist in the transition from school to work   | 220,996        | 252,707        | nfp            | nfp            | nfp            |
| <b>Indigenous Education Strategic Initiatives Program – government (a)</b><br>Provides supplementary recurrent funding to education providers in the preschool, school and VET sectors, as well as project-based funding aimed at improving Indigenous education outcomes   | 71,280         | 106,554        | nfp            | nfp            | nfp            |
| <b>Australian Technical Colleges (a) (b)</b><br>The Australian Govt is establishing 28 ATCs to encourage more young Australians into traditional trades. Students will combine academic courses leading to a Yr 12 certificate with a School-based New Apprenticeship in a trade, leading to a nationally endorsed training package qualification | 5,805          | 1,734          | 1,015          | nfp            | nfp            |

From Table D1: Estimated specific purpose payments for current purposes to and through the States, repayments of advances, advances and interest payments, 2006-07 to 2010-11 (\$'000) pp51-52

**Table 11: Capital Funding**

| SPECIFIC PURPOSE PAYMENTS – CAPITAL PURPOSES   |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| EDUCATION FUNCTION   | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
| <b>Government schools (a)</b><br>Provides supplementary assistance to State and Territory education for the provision, maintenance and upgrading of school facilities, which can include, amongst other things, land or building purchases, capital works or the provision of equipment  | 633,725 | 601,552 | nfp     | nfp     | nfp     |
| <b>Non-Government schools (a) *</b><br>Provides supplementary assistance to non-government schools and systems, as well as hostels for rural students, for the provision, maintenance and upgrading of school facilities, which can include, amongst other things, land or building purchases, capital works or the provision of equipment | 205,585 | 269,466 | nfp     | nfp     | nfp     |

From Table D1: Estimated specific purpose payments for current purposes to and through the States, repayments of advances, advances and interest payments, 2006-07 to 2010-11 (\$'000)  
p.62

**Notes**

1. \* indicates payments made through the States
2. **(a)** indicates that provision has been made for continued funding in the forward estimates.
3. **nfp** indicates that the extension of the relevant agreements has not been negotiated [ie. the next quadrennium funding arrangements] and therefore the amounts payable under the agreements cannot be specifically identified
4. **(b)** indicates that this is only a component of the Federal Government's investment of \$551.8 million to 2011-12 to establish ATCs. Most of this funding is classified as Aust Govt own purpose expenditure. The figures contained in the SPP tables relate to funding to Victoria, the only state where some ATCs are run by the public sector.
5. **Skilling Australia's Workforce**  
  
This is the main source of Federal revenue for TAFE and increases only by 1.3% [unadjusted] from 2006-07 to 2007-08.
6. **IESIP**  
  
NGS IESIP funding is not recorded in the Budget Papers as it is paid directly to schools/systems not through the states.

**Table 12: SPPs to the States 2007-08 Recurrent Funding**

| SPECIFIC PURPOSE PAYMENTS - RECURRENT                           |                  |                  |                  |                |                |                |                |                |                  |
|---|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| EDUCATION FUNCTION  | NSW              | VIC              | QLD              | WA             | SA             | TAS            | ACT            | NT             | TOTAL            |
| Government schools  | 637,029          | 469,803          | 388,471          | 190,142        | 138,136        | 52,848         | 31,657         | 23,495         | 1,931,581        |
| Non-Government schools *  | 1,773,657        | 1,397,759        | 1,091,422        | 542,392        | 435,189        | 113,785        | 110,955        | 44,034         | 5,509,193        |
| Skilling Australia's Workforce                                  | 417,870          | 311,078          | 243,359          | 125,637        | 94,479         | 29,399         | 21,484         | 13,066         | 1,256,372        |
| Targeted programs – government schools and joint                | 177,473          | 109,463          | 75,549           | 41,599         | 41,363         | 12,960         | 4,744          | 9,167          | 472,318          |
| Targeted programs – non-government schools *                    | 89,706           | 71,544           | 38,914           | 23,538         | 19,048         | 3,818          | 3,392          | 2,747          | 252,707          |
| Indigenous Education Strategic Initiatives Program – government | 28,655           | 5,613            | 23,831           | 18,049         | 6,601          | 2,908          | 657            | 20,240         | 106,554          |
| Australian Technical Colleges (a)                               | 0                | 1,734            | 0                | 0              | 0              | 0              | 0              | 0              | 1,734            |
| <b>TOTAL</b>  | <b>3,124,390</b> | <b>2,366,994</b> | <b>1,861,546</b> | <b>941,357</b> | <b>734,816</b> | <b>215,718</b> | <b>172,889</b> | <b>112,749</b> | <b>9,530,459</b> |

*From Table D3: Estimated specific purpose payments to and through the States, repayments of advances, advances and interest payments, 2007-08 (\$'000)*

*Source: BP 3 p81*

**Table 13: Capital Funding**

| <b>SPECIFIC PURPOSE PAYMENTS - CAPITAL</b> |            |            |            |           |           |            |            |           |              |
|--|------------|------------|------------|-----------|-----------|------------|------------|-----------|--------------|
| <b>EDUCATION FUNCTION</b>                  | <b>NSW</b> | <b>VIC</b> | <b>QLD</b> | <b>WA</b> | <b>SA</b> | <b>TAS</b> | <b>ACT</b> | <b>NT</b> | <b>TOTAL</b> |
| <b>Government schools</b>                  | 198,025    | 124,742    | 121,792    | 57,856    | 44,451    | 19,590     | 9,491      | 7,605     | 601,552      |
| <b>Non-Government schools *</b>            | 88,082     | 69,296     | 47,593     | 25,713    | 20,046    | 5,380      | 5,901      | 7,455     | 269,466      |
| <b>TOTAL</b>                               | 286,107    | 212,038    | 169,385    | 83,569    | 64,497    | 24,970     | 15,392     | 15,060    | 871,018      |

*Source: BP3, p85*

**With thanks to Sally Edsall, John McCollow and John Graham for information and advice**