

**THE 'EDUCATION REVOLUTION' BUDGET**

# **FEDERAL BUDGET REPORT – 2008**

**Australian Education Union  
120 Clarendon Street  
Southbank 3006**

**Prepared by  
Jenni Devereaux  
AEU Federal Research Officer**

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Authorised and published on the internet by Angelo Gavrielatos, Federal President  
Australian Education Union, 120 Clarendon Street, Southbank, VIC 3006,

## 1. OVERVIEW

The Rudd Government came to power promising an 'Education Revolution'. For public education it offered the promise of redressing eleven years of underfunding and chronic and systematic neglect of public education and training by the Howard Government<sup>1</sup>.

The crucial thing for the AEU in this Budget was how far the Rudd Government would go to repair the damage wrought by the Howard Government to the public system, and the extent of new funding measures designed to implement its 'Education Revolution' election commitments.

The ALP's election platform contains an explicit commitment that Labor would give priority for public schools through enhanced Commonwealth programs for schools and Kevin Rudd has acknowledged that the Commonwealth has a primary obligation to adequately and appropriately fund public schools. But despite the Rudd Government's talk about more equitable funding for schools they have remained resolute in government about their election commitments to maintain the discredited and inequitable SES funding mechanisms established by the Howard Government<sup>2</sup> until 2013.

The AEU hoped that the forward estimates contained in this year's budget would provide an indication of what the Rudd Government would do beyond its commitment to continue the current schools funding arrangements which see private school students receiving over four times as much funding as public school students. Funding Labor's election commitments is welcome, but without additional priority funding public schools and the students who attend them will continue to be neglected.

## 2. AEU BUDGET PRIORITIES

Within this framework the AEU identified five specific priorities:

- Re-distribution of the funding for ineffective ideologically-driven Howard Government programs to public education.
- Indigenous Education: the provision of significantly increased funding to back up the Government's commitment to closing the gap between Indigenous and non-Indigenous education outcomes.
- Support for schools in low socio-economic communities: details of Julia Gillard's recent announcement that the Federal Government would develop a program to assist schools serving low-socio economic communities; a program which would benefit public schools who teach the majority of students from disadvantaged backgrounds, including rural and remote areas, and the majority of Indigenous students.
- Forward estimates and schools funding: an indication in the forward estimates of what the Rudd Government will do to provide targeted priority funding to public schools given its commitment to continue the Howard Government's inequitable and discredited schools funding arrangements.
- National Partnership Arrangement for Quality Teaching: an announcement of funding

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<sup>1</sup> See 'Reference Notes for the New Education Era' AEU December 2007

<sup>2</sup> An internal government review of the SES funding arrangements for non-government schools exposed earlier this year that the majority of private schools are funded above what would be their SES funding entitlement according to their actual SES scores. Over the last 4 years \$2 billion has been paid to schools which had their funding maintained at higher levels than they would have received if the formula had been strictly applied. If these schools continue to be funded above their SES entitlement, the private school sector will gain an additional \$2.7 billion in overpayments over the next 4 years.

measures to tackle the national teacher shortage should be a key priority for the Rudd Government and a national professional pay scheme to reward quality teaching.

It was a bitter disappointment that the Budget failed to deliver specific funding measures/programs to repair the damage the Howard Government inflicted on public education and training. Funding election commitments is welcome, but it is not enough to redress years of chronic and systematic neglect.

### 3. TOTAL EDUCATION EXPENDITURE

#### 2008-09 Budget Paper 1: Budget Strategy and Outlook

Total education expenditure covers expenditure for higher education institutions; vocational education and training providers (including technical and further education institutions); and government (State and Territory) and non-government primary and secondary schools.

#### 3.1 Total Education Expenditure Budget Papers 2008-09

Table 1: Total Education Expenditure Budget Papers 2008-09

EDUCATION	Estimates		Projections		
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$m	\$m	\$m	\$m	\$m
Higher Education	6,333	6,018	6,974	7,001	7,365
Vocational and Other Education	1,640	1,654	1,735	1,784	1,826
Non-Govt Schools	6,392	6,406	6,812	7,265	7,723
Government Schools	3,126	3,138	3,324	3,397	3,546
Schools	9,518	9,545	10,137	10,662	11,269
Student assistance	486	485	479	481	484
General administration	22	26	44	64	77
School Education - specific funding	620	1036	908	776	778
<b>Total Education</b>	<b>18,620</b>	<b>18,764</b>	<b>20,276</b>	<b>20,768</b>	<b>21,800</b>

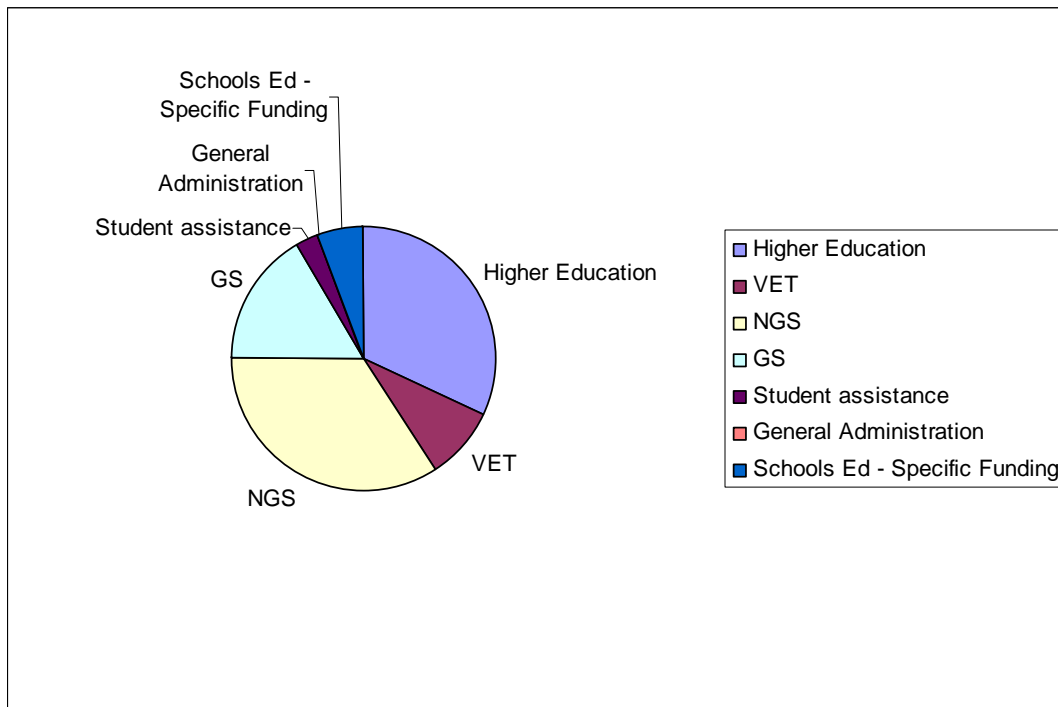
Source: Education Table 7 Summary of Expenses Budget Paper 1, 6-14 2008-09 Budget Papers

Analysis of the figures for total education expenditure shows the % share for each of the Budget line.

Table 2: % Share of Total Education Budget

	2007-08	2008-09	2009-10	2010-11	2011-12	% Change 07-08 to 11-12
Higher Education	34.0%	32.1%	34.4%	33.7%	33.8%	- 0.2%
VET	8.8%	8.8%	8.6%	8.6%	8.4%	- 0.4%
NGS	34.3%	34.1%	33.6%	35.0%	35.4%	1.1%
GS	16.8%	16.7%	16.4%	16.4%	16.3%	- 0.5%
All Schools	51.1%	50.9%	50.0%	51.3%	51.7%	0.6%
Student assistance	2.6%	2.6%	2.4%	2.3%	2.2%	- 0.4%
General Administration	0.1%	0.1%	0.2%	0.3%	0.4%	0.3%
Schools Ed - Specific Funding	3.3%	5.5%	4.5%	3.7%	3.6%	0.3%

**Figure 1: Total Education Expenditure 2008-09**



According to the Budget papers total expenses under the education function are estimated to increase by 7.8 per cent in real terms from 2008-09 to 2011-12, or 2.5 per cent annually on average. The major reasons given for this growth are the measures announced as part of the Government's *Education Revolution* and indexation of funding provided to schools.

Total expenses for the government and non-government schools sub-functions are expected to rise by 9.5 per cent in real terms from 2008-09 to 2011-12, or 3.1 per cent annually on average.

The only area to increase in budget share is the Schools Education – Specific funding sub-function and the Budget papers note that this is due to the introduction of new *Education Revolution* measures in the 2008-09 Budget. These measures include *Trade Training Centres in Schools*; the *Digital Education Revolution*; and the *National Asian Languages and Studies in Schools* program. Funding of this sub-function declines in 2010-11 — primarily reflecting the funding profile for the *Digital Education Revolution* which provides higher levels of funding in the early years of the program, but declines after 2009-10. Overall, funding is estimated to increase by 12.5 per cent in real terms from 2007-08 to 2011-12.<sup>3</sup>

Vocational and other education expenses are estimated to increase by 2.4 per cent in real terms from 2008-09 to 2011-12, or 0.8 per cent annually on average. The increase in expenses for vocational and other education sub-function are mainly been driven by budget measure *Skilling Australia for the Future* which will deliver up to 630,000 additional funding places over five years. Also, contributing to the vocational and other education expenses is the impact of increased migration places in the skilled,

<sup>3</sup> Further information about the calculations underpinning these figures will be sought in the Senate Estimates hearings and will be included in the schools funding research work being undertaken by Jim McMorrow and Lyndsay Connors.

family and humanitarian categories. In addition a new measure, *School Grants for On-The-Job Training*, will increase expenses in this sub-function.

#### Note re 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.

AGSRC Index for Secondary School General Recurrent Grants: 7.4%  
AGSRC Index for Primary School General Recurrent Grants: 7.1%

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

### 3. 2 2008-09 Education Expenditure as a Proportion of Total Federal Government Expenditure

Like the previous year, the last Howard Government's last Budget, analysis of total education expenditure in the context of the total Budget [Federal Government Expenditure] shows little evidence of the much-vaunted boost in education expenditure.

**Table 3: 2007-2008 and 2008-09 Education Expenditure [Major Areas] as a Proportion of Total Federal Government Expenditure**

	07-08	08-09
<b>Total Education Budget</b>	6.64%	6.42%
<b>Higher Education</b>	2.26%	2.06%
<b>VET</b>	0.58%	0.57%
<b>Non-Government Schools</b>	2.28%	2.19%
<b>Government Schools</b>	1.11%	1.07%
<b>All Schools</b>	3.39%	3.26%
<b>School Education – Specific Funding</b>	0.22%	0.35%

**Table 4: 2007-08 to 2011-12 Education Expenditure as a Proportion of Total Federal Government Expenditure**

	Estimates		Projections			% Change 07-08 to 11-12
	2007-08	2008-09	2009-10	2010-11	2011-12	
<b>Total Ed Budget</b>	6.64	6.42	6.53	6.43	6.43	-0.21%
<b>Higher Education</b>	2.26	2.06	2.25	2.17	2.17	-0.09%
<b>VET</b>	0.58	0.57	0.56	0.55	0.54	-0.04%
<b>Non-Government Schools</b>	2.28	2.19	2.19	2.25	2.28	0.0%
<b>Government Schools</b>	1.11	1.07	1.07	1.05	1.05	-0.06%
<b>All Schools</b>	3.39	3.26	3.26	3.30	3.32	-0.07%
<b>Student assistance</b>	0.17	0.17	0.15	0.15	0.14	-0.03%
<b>General Administration</b>	0.01	0.01	0.01	0.02	0.02	0.01%
<b>Schools Ed - Specific Funding</b>	0.22	0.35	0.29	0.24	0.23	0.01%

Source: BP 1: pp6-45 and 6-14 2008-09 Budget Papers

Analysis of last year's Budget papers showed that while there were increases in some areas, there was 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 showed:

- 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.

Analysis of the 2008-09 projections shows that this decline will continue in all the major education budget lines:

- a further decline in total education expenditure as a proportion of the total budget
- a decline in higher education funding share of the total
- a decline in VET share of the total
- a decrease in public school share of the total
- small overall increases in 'General Administration' and 'Schools Education – Specific Funding'.

### 3.4 Expenditure on private schools relative to the higher education sector

The budget allocation for private schools continues to be higher than that for the entire higher education sector.

**Table 5: Relative % Share Higher Education and Private Schools**

	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Higher Education</b>	34.0%	32.1%	34.4%	33.7%	33.8%
<b>NGS</b>	34.3%	34.1%	33.6%	35.0%	35.4%

### 3.5 Schools Funding

**Table 6: Budget Public/Private Share of Total Education Budget and Total Schools Funding 2007-08 to 2011-12**

	Estimates		Projections		
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$m	\$m	\$m	\$m	
<b>Total Education Budget</b>	18,620	18,764	20,276	20,768	21,800
<b>Non-Govt Schools</b>	6,392	6,406	6,812	7,265	7,723
<b>Government Schools</b>	3,126	3,138	3,324	3,397	3,546
<b>Total</b>	9,518	9,545	10,137	10,662	11,269
<b>NGS Share of Total Ed Budget</b>	34%	34%	34%	35%	35%
<b>GS Share of Total Ed Budget</b>	17%	17%	16%	16%	16%
<b>NGS Share of Schools Budget</b>	67%	67%	67%	68%	68.5%
<b>GS Share of Schools Budget</b>	33%	33%	33%	32%	31.5%

Last year's forward estimates indicated that funding to private schools would increase by 30% from 2006-07 to 2010-11, compared to 10% for government schools. Over this period, estimated funding to private schools would increase by \$1.7 billion, from \$5.8 billion to \$7.5 billion; a funding increase of 30%. Estimated funding to public schools would increase by \$300 million, from \$3.1 billion to \$3.4

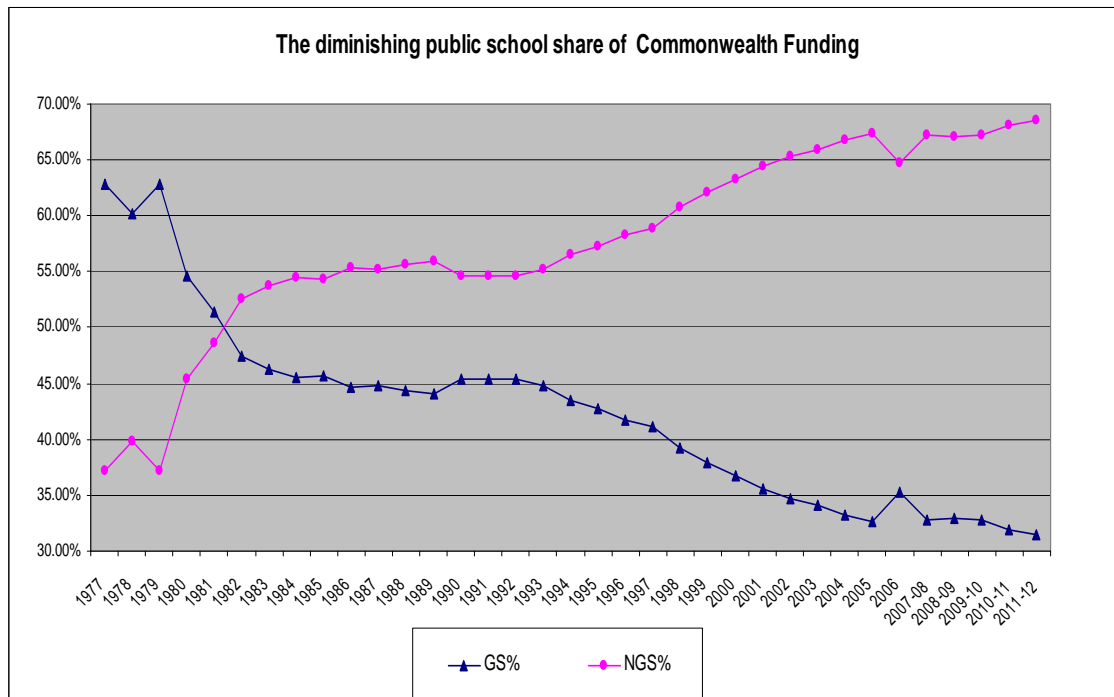
billion over that same period; an increase of 10%.

This year's forward estimates indicate that funding to private schools will increase by 21% from 2007-08 to 2011-12, compared to 13% for government schools. Over this period, estimated funding to private schools will increase by \$1.3 billion, from \$6.4 billion to \$7.7 billion; a funding increase of 21%. Estimated funding to public schools will increase by \$420 million, from \$3.1 billion to \$3.5 billion over that same period; an increase of 13%.

Private schools continue to get more funding than higher education.

**Table 7: Public/Private Funding Shares in Historical Perspective**

Using the figures from the 2008-09 Budget papers the updated share graph is as follows:



Note: The 'blip' for 2006 is due to the Howard Government's Investing in Our Schools program. In the 2006-07 Federal Budget \$186.7m in funding for this program was brought forward to 2006. Since 70 per cent of this funding went to government schools, this inflated the expenditure figures for government schools for 2006-07.

### 3.6 VET Funding

Within the context of the Federal Budget, funding for VET delivery generally combines funding reported as the *Vocational and Other Education* sub-function as part of the *Education* function in the

Budget Papers and funding described as *Vocational and Industry Training* reported as part of the *Other Economic Affairs* function in the Budget Papers.

**Table 8: Vocational and Other Education sub-function – Education function**

	2007-08	2008-09	2009-10	2010-11	2011-12
	\$m	\$m	\$m	\$m	\$m
<b>Vocational Education and Training</b>	1,288	1,314	1,335	1,357	1,384
<b>Adult Migration English Program</b>	182	198	211	221	228
<b>Careers Transitions and Partnerships</b>	118	126	142	144	146
<b>Other</b>	52	17	46	62	68
<b>Total</b>	<b>1,640</b>	<b>1,654</b>	<b>1,735</b>	<b>1,784</b>	<b>1,826</b>

Source: BP 1 6-15

**Table 9: Vocational and Industry Training sub-function - Other Economic Affairs function**

	Estimates		Projections		
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$m	\$m		\$m	\$m
<b>Tourism and area promotion</b>	193	184	182	182	180
<b>Vocational and Industry Training</b>	1,146	1,161	1,350	1,585	1,592
<b>Labour market assistance to job seekers and industry</b>	2,093	2,196	2,100	1,966	1,899
<b>Industrial Relations</b>	594	582	526	504	502
<b>Immigration</b>	1,126	1,198	1,189	1200	1,230
<b>Total Labour and employment affairs</b>	4,958	5,137	5,166	5,256	5,223
<b>Other economic affairs nec</b>	1,315	1,449	1,470	1,407	1,387
<b>Total other economic affairs</b>	<b>6,467</b>	<b>6,770</b>	<b>6,818</b>	<b>6,844</b>	<b>6,791</b>

Source: Table 3: Summary of Expenses, Australian Government Budget, Vocational and Industry Training 2008-09 (BP1, p. 6-32)

**Table 8: Vocational and other Education plus Vocational and Industry Training Expenditure as a Proportion of Total Federal Government Expenditure**

	2007-08	2008-09	2009-10	2010-11	2011-12
	\$m	\$m	\$m	\$m	\$m
<b>Vocational and Other Education</b>	1,640	1,654	1,735	1,784	1,826
<b>Vocational and Industry Training</b>	1,146	1,161	1,350	1,585	1,592
<b>Total</b>	2,786	2,815	3,085	3,369	3,418
<b>Total Commonwealth Budget</b>	280,551	292,470	310,513	323,083	339,241
<b>% Share</b>	0.99%	0.96%	0.99%	1.04%	1.01%

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

According to the Budget papers, total expenses for the other economic affairs function are estimated to remain relatively stable over the period 2007-08 to 2011-12. The Government says this reflects "lower growth in expenditure in the labour market assistance to job seekers and industry and industrial relations sub-functions, offset by expected growth in the vocational and industry training

function as a result of measures in this Budget.”

The growth in estimated expenses in the vocational and industry training sub-function is “mainly due to the introduction of the Government’s election commitment measure, *Skilling Australia for the Future*.”

The growth in expenses in the immigration sub-function between 2007-08 and 2008-09 is “mainly due to new measures announced in the 2008-09 Budget to increase migration places in the skilled, family and humanitarian categories, and increase support to newly arrived migrants in the areas of language and work skills training. The impact from these new measures on expenses will gradually tail off in future years while expenses relating to short-term visas for international students and tourists are expected to continue to increase during the same period.”

### 3.7 THE ‘EVIDENCE BASE’ FOR THE GOVERNMENT’S NEW INITIATIVES

Source: BP 1 Budget Statement 4 Boosting Australia’s Productive Capacity: Infrastructure and Skills ‘The Scope for Better Outcomes in Education And Training’ 4-19 – 4-21

#### Early Childhood

- *Effectiveness of EC and school education system is an important factor affecting overall skill levels of the Australian workforce.*
- *Basic literacy and numeracy provide the necessary foundation for developing higher-order skills that contribute to a more productive workforce.*
- *ECE can play a role in improving long-term developmental outcomes, particularly for children from disadvantaged backgrounds (Heckman and Masterov 2007).*

#### Schools

- *Australia’s upper secondary attainment rates are lower than several other OECD countries. Following rapid increases through the 1980s and early 1990s, Year 12 retention rates in Australia have remained relatively constant at around 75 per cent over the past 15 years. Completing Year 12 is important not only as a pathway to further education, but because Australians who have not reached this level of attainment are significantly more likely to be unemployed than those who have (Kennedy 2007)*
- *Improving upper-secondary education attainment was one of the five policy priorities the OECD identified for Australia in Going for Growth (OECD 2008).*
- *Literacy and numeracy achievement the most influential factor in Year 9 students staying on to complete Year 12 and the strongest predictor of tertiary entrance performance (McMillan and Marks 2003). Students with low levels of literacy and numeracy achievement are also more likely to leave school earlier. The teaching of literacy and numeracy in schools is therefore a critical element in improving participation and productivity to boost potential growth in the medium- and longer-term.*

*While there is a range of research indicating that teacher quality is a critically important factor in improving educational outcomes,<sup>4</sup> there is evidence that the literacy and numeracy achievement of teachers has been falling (Leigh and Ryan 2006). Given this, a key reform challenge is to improve the quality of teaching that takes place in the classroom. This means ensuring that well trained high quality people are both attracted to and retained in the teaching profession.*

*There is also scope to improve the quality of new teachers entering the profession. Ensuring that*

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<sup>4</sup> See for example, Leigh (2007), Rivkin, Hanushek and Kain (2005) and Rowe (2003).  
Note: this footnote is from the Budget papers

*teacher training is evidence based and grounded in the practical skills required of teachers in the classroom is important.*

*And reducing barriers to entry into teaching from highly skilled members of other professions could be expected to improve the overall quality of the field of candidates seeking to enter the teaching profession. The long and costly process required to obtain the necessary qualifications to teach, over and above existing academic qualifications, may discourage large numbers of potentially gifted teachers from entering the profession.*

***Public reporting of student and school performance, along with greater school autonomy and demand side pressures from parents to enhance school performance is likely to have significant positive impacts on student performance (Hanushek and Wößmann 2007).***

***OECD (2006) research finds that students in schools that publicly release their performance results performed substantially better than students in schools that did not, even after accounting for the demographic and socioeconomic background of students and schools.***

***The study also found that students in educational systems that give more autonomy to schools to formulate the school budget and to decide on budget allocations within the school tend to perform better.***

### **Vocational Education and Training**

*Within the VET sector there is evidence that the effectiveness of training is variable. Many of the trades with low completion rates are also occupations that regularly appear on the national skill shortages list discussed earlier in this statement (NCVER 2006).*

*While it is not possible with the available evidence to attribute low completion rates to the training or to broader workforce issues, it is clear that increasing the number of people participating in training alone is unlikely to be a cost-efficient way of addressing reported skills shortages in these areas. Hence, the vocational training system requires reform to ensure that greater investment will deliver more responsive, higher quality training that will contribute to higher productivity growth.*

*To maximise the effectiveness of vocational education and training in Australia, a fundamental principle should be that those institutions that offer the highest quality and most relevant training to employers and industry should not be excluded from competing for government funding.*

***More competition should be a goal in a more contestable training market.***

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

##### Budget Paper No. 2 Budget Measures 2007-08

##### 'THE EDUCATION REVOLUTION'

*The **Education Revolution** is a package of new initiatives designed to drive future productivity improvements within the Australian economy and is targeted to the key areas of early childhood education, schools, vocational education and higher education.*

#### 4.1 SCHOOLS

##### The 'Education Revolution – Improving Our Schools' Package

*The Government's **Education Revolution – Improving Our Schools Package** will deliver on its commitment to improve literacy and numeracy skills, raise student achievements and lift school retention rates.*

**Table 10: 'Education Revolution' Expense Measures**

EXPENSE MEASURES	2007-08	2008-09	2009-10	2010-11	2011-12	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Education Revolution – Improving our schools</b>						
– Improving our schools – Digital Education Revolution	100.0	400.0	300.0	200.0	200.0	1,200.0
– Improving our schools – Enterprise and Career Education Program – school and business linkages	-	1.6	1.6	1.6	1.6	6.4
– Improving our schools – Establishing a National Curriculum Board for Australian Schools	-	5.0	5.0	5.0	5.0	20.0
– Improving our schools – Local Schools Working Together	20.0	20.0	17.5	5.0	-	62.5
– Improving our schools – Mentors for Our Students	-	1.3	1.3	1.3	1.3	5.0
– Improving our schools – National Action Plan for Literacy and Numeracy	-	95.5	157.6	160.7	163.5	577.4
– Improving our schools – National Schools Assessment and Data Centre	-	2.9	5.5	4.4	4.5	17.2
– Improving our schools – Orthodox Jewish Schools – additional funding	4.0	4.0	4.0	4.0	-	16.0
– Improving our schools – Preparing Australia for the Future – National Asian Language and Studies in Schools Program	-	10.0	21.2	31.2	-	62.4
– Improving our schools – Trade Training Centres in Schools Program	-	233.1	242.9	253.1	263.7	992.9

#### NEW BUDGET MEASURES

##### The Digital Education Revolution

\$1.2 billion will be spent on 'Digital Education' measures designed to provide all Year 9-12 students with access to world class information and communication technology (ICT) - over the next five years.

It is intended that round one of the National Secondary School Computer Fund will deliver \$100 million in funding to schools most in need of new computers by June 2008. The second round of applications will open in July 2008.

As part of the \$1.2 billion investment:

- \$100 million has been committed to support the deployment of fibre connections to Australian schools, delivering broadband speeds of up to 100 megabits per second.
- \$32.6 million will be provided over two years to supply students and teachers across Australia with online curriculum tools and resources.
- \$10 million over three years will also be available to assist schools to make the best use of ICT through the development of support mechanisms.

### **Establishing a National Curriculum Board**

The Board will develop a national curriculum from kindergarten to Year 12 in the areas of English, Maths, the Sciences and History.

### **A National Action Plan on Literacy and Numeracy**

The Government will commit \$577.4 million over four years to support schools to improve literacy and numeracy outcomes, starting with those schools and students most in need of help.

The National Action Plan will be developed in partnership with schools, state and territory governments and non-government school systems, and it will involve working together to develop what the Government calls “an evidence-based approach to improving results and evaluating success in improving literacy and numeracy.”

*The previous Government used literacy and numeracy as ideological weapons in its attempt to bypass state schooling systems and promote its favoured teaching methods. Previous programs, including summer schools for teachers and vouchers for private tuition, were fragmented and ineffective, and lacked rigorous evidence or evaluation. They failed to provide much needed additional resources to our schools to help them assist struggling students improve their literacy and numeracy skills.*

The new National Action Plan will draw on results from the May 2008 National Literacy and Numeracy Tests and on “evidence from around the world about what works”.

State and Territory Governments have been “invited” to propose pilot programs in disadvantaged school communities to improve literacy and numeracy outcomes for students.

\$10 million will be provided to “gather research and data to inform an evidence-based approach to literacy and numeracy programs and teacher professional development. This is about finding out what works.”

### **National Schools Assessment and Data Centre**

The Centre will collect data and report on ‘key performance measures for schools’, as agreed by COAG, to “ensure transparent and timely national assessment and reporting of literacy and numeracy outcomes for Australian school students”.

### **Asian languages in schools**

From January 2009, the new National Asian Languages and Studies in Schools program will support:

- additional Asian languages classes in high schools;
- teacher training and support; and

- specialist curricula for students who display advanced abilities in Asian languages and studies.

### **Additional Funding for Orthodox Jewish Schools**

This measure is designed to “support educational outcomes in Orthodox Jewish schools where their unique circumstances and special needs result in anomalies in their funding arrangements.”

### **Trade Training Centres in Secondary Schools**

\$2.5 billion has been committed over the next decade for the Trade Training Centres in Schools program.

Schools can seek between \$500,000 and \$1.5 million in total over the life of the program to build and upgrade trade facilities.

Applications for the first \$100 million of funding are currently being assessed, and successful proposals will be announced in late June.

To support the Trade Training Centres, the Government has also committed to a range of additional initiatives, which include:

- access to On-the-Job training.
- the Mentors for our Students program designed to “match recently retired tradespeople and professionals with their local schools to pass on skills and industry knowledge in critical skills shortage areas”.
- improved Schools-Business linkages which will “establish innovative vocational training programs for young people in schools”.

## **INFRASTRUCTURE**

### ***Rebuilding Australia's schools***

The Government will provide \$1.7 billion over the next four years on maintenance and infrastructure in our schools, with \$457 million to be spent on school capital works in the next financial year.

\$62.5 million over four years will be allocated to the new Local Schools Working Together pilot program which will “encourage government and non-government schools to build and share state-of-the-art facilities for the benefit of local communities”.

\$481 million will be provided to the Solar Schools Program over the next four years.

A further \$2.5 billion will be provided over the next 10 years for the Trade Training Centres in Schools Program in secondary schools across the nation.

The Government says that capital funding will be distributed in a fair and equitable fashion, and that additional assistance will be provided to the many schools in remote and low-socioeconomic areas.

### ***The Howard Government's 'Investing in Our Schools' Program***

The 4 year \$1.2 billion ‘Investing in Our Schools’ program was first announced by the Howard Government in 2004 and was due to expire this year. There was no ongoing funding for the program

in the 2007-08 Budget although in August then Education Minister Julie Bishop said the Howard Government would "continue support" for the program and that details would be announced "in due course". This never occurred. After the final round of funding for public schools in August, 2007, \$26.1 million was unallocated and returned to consolidated revenue.

The Rudd Government's schools infrastructure commitments promise to deliver significantly more funding, in cooperation with the States and Territories than the old 'Investing in Our Schools' program.

### **THE FATE OF OTHER HOWARD GOVERNMENT PROGRAMS**

A number of other Howard Government programs have been axed. In the Budget papers this has been badged as 'Reprioritising Funding to Better Programs'.

- **Literacy and Numeracy Vouchers**  
To save \$464.7 m over 4 years
- **Summer Schools**  
To save \$96.2 over 4 years
- **Cash Grants to schools for 'Improving Literacy and Numeracy Outcomes'** estimated at \$51 million in last year's Budget.

It is understood that the savings from axing these programs has been redirected to the new National Action Plan for Literacy and Numeracy (\$577.4 over 4 years).

In addition:

- **ATCs To Be 'Rationalised':**  
To save \$99.4 over 4 years
- **Values Education** program received \$34.6 million in funding over four years from 2004. No new funding was announced in this budget.

### **EDUCATION TAX REFUND**

Under the new \$4.4 billion Education Tax Refund program about 1.3 million families (with 2.7 million students) will be eligible for the refund tax offset which is expected to benefit Australian families by more than \$1 billion a year.

Eligible families will be able to claim a 50 per cent refundable tax offset every year for key education expenses up to:

- \$750 for each child undertaking primary studies  
(maximum refund of \$375 per child, per year)
- \$1500 for each child undertaking secondary studies  
(maximum refund of \$750 per child, per year)

Families receiving Family Tax Benefit (Part A) with children undertaking primary or secondary studies or whose school children receive Youth Allowance or another relevant payment (see Attachment) will be eligible for the Education Tax Refund.

The refundable tax offset will apply to expenses incurred from 1 July 2008 and will be claimed upon lodgement of a 2008-09 income tax return.

Eligible families will be able to recoup the cost of purchases including:

- laptops;
- home computers and associated costs;
- home internet connection;
- printers;
- education software;
- prescribed trade tools for use at school;
- school text books; and
- stationery.

The refund will not apply to school fees.

## 4.2 EARLY CHILDHOOD

### Early Childhood Revolution

*In the area of Early Childhood Education, the Government's Education Revolution will deliver a systematic approach to comprehensive, integrated, high-quality early childhood education and care services for all children.*

**Table 11: ECE Expense Measures**

	2007-08	2008-09	2009-10	2010-11	2011-12	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>EXPENSE MEASURES</b>						
<b>Education Revolution – Early Childhood</b>						
– Early Childhood – additional child care places	-	44.9	26.1	12.7	13.1	96.8
– Early Childhood – Australian Early Development Index – national rollout	3.0	4.3	4.3	4.3	4.3	20.2
– Early Childhood – Child Care Tax Rebate – increase from 30 per cent to 50 per cent	-	340.3	376.0	410.2	444.5	1,571.0
– Early Childhood – Early Childhood Education Workforce Strategy – 50 per cent HECS-HELP remission for early childhood education teachers with a HECS-HELP debt working in eligible regions	-	-	3.0	4.0	5.4	12.4
– Early Childhood – Early Years Learning Framework	-	2.5	-	-	-	2.5
– Early Childhood – Helping Parents Prepare their Children for School – Home Interaction Program	-	3.1	5.8	8.3	9.9	27.1
– Early Childhood – Jobs, Education and Training child care fee assistance – additional funding	-	7.7	6.9	4.6	4.7	23.9
– Early Childhood – Strong Quality Standards in Child Care	-	5.7	5.4	5.6	5.5	22.2
– Early Childhood – Workforce Strategy – additional university places for early childhood education	-	2.2	8.2	17.2	26.4	53.9
– Early Childhood – Workforce Strategy – removal of TAFE fees	-	8.9	16.3	17.4	17.7	60.3
– Early Childhood – universal access	13.5	40.0	80.0	100.0	300.0	533.5

This Budget commits \$2.4 billion over the next five years to an extensive range of integrated early childhood initiatives budget designed to fully implement the Rudd Government's early childhood election commitments by 2013.

- \$533.5 million to provide all Australian children, including Indigenous children living in remote communities, with access to affordable early learning programs delivered by a qualified teacher. All children will have access to 15 hours a week of early learning programs for 40 weeks a year in the year before formal schooling.
- \$114.5 million over the next four years to establish 38 child care centres, including six autism-specific centres. This measure is the first phase of the Government's commitment to establish 260 child care centres on school sites and community land.
- \$22.2 million over four years to develop rigorous new quality national standards for child care and preschool. A new five category quality rating system will be introduced to give parents more information about their child care centre or preschool, and to drive improvement in the quality of child care.
- \$1.6 billion over four years to help working families meet higher costs of living by increasing the Child Care Tax Rebate (CCTR) from 30% to 50% of out of pocket costs and by paying the rebate quarterly. The Government will also increase the CCTR cap from \$4354 to \$7500.
- \$126.6 million for a National Early Years Workforce Strategy.
- \$60.3 million to support around 8000 child care workers to gain a qualification by removing TAFE fees for child care diplomas and advanced diplomas from 2009;
- \$53.9 million to create 500 additional university places for early childhood teachers, starting in 2009 and rising to 1500 places by 2011; and
- \$12.4 million to reduce by about half the HECS-HELP debt of early childhood teachers who work in regional and remote areas, Indigenous communities and areas of high disadvantage.
- \$32.5 million over five years to roll out the Home Interaction Program to 50 disadvantaged communities across Australia.
- \$23.9 million over four years to extend the Jobs, Education and Training Child Care Fee Assistance to cover two years of approved study.
- \$20.2 million (including existing funding of \$2.8 million) over five years to roll out the Australian Early Development Index (AEDI) nationally.
- \$2.5 million in 2008-09 for the development of an Early Years Learning Framework.

## **THE CHILD CARE TAX REBATE**

Changes to the CCTR are costed at \$1.6 billion over four years.

From 1 July 2008, the rate of CCTR will increase from 30 to 50 per cent of out-of-pocket expenses for approved child care costs of eligible families, with benefits ranging between \$500 and \$2500 per year for the average family.

In addition, to increasing the rate of the CCTR the Government will lift the cap from \$4354 to \$7500 (indexed) per child per year, and from 1 July 2008, payments will also be made on a quarterly basis instead of annually, with families receiving the first quarterly payments from October 2008.

### 4.3 INDIGENOUS EDUCATION

The Budget outlines \$213 million in measures to “close the gap in educational outcomes and opportunities between Indigenous and non-Indigenous Australians.”

*The Rudd Government has committed to tackling the educational disadvantage of Indigenous Australians and has made the achievement of following specific Indigenous education and employment targets a key goal of its Education Revolution:*

- *within five years all Indigenous four year olds in remote communities will be able to attend a proper early childhood centre or opportunity*
- *within a decade the gap between Indigenous and non-Indigenous students in reading, writing and numeracy benchmark achievement will be halved*
- *within a decade the gap in employment outcomes between Indigenous and non-Indigenous Australians will be halved*
- *by 2020 the gap between Indigenous and non-Indigenous Australians in the attainment of Year 12, or its vocational equivalent, will be halved*

It says the measures contained in this Budget are “a down payment on what will be sustained action to address Indigenous disadvantage”.

- \$56.4 million over four years [as part of the National Action Plan on Literacy and Numeracy] for the Building Strong Foundations Program to assist in the delivery of literacy and numeracy programs for underachieving Indigenous students as well as Individual Learning Plans
- \$28.9 million over four years to build three new Indigenous boarding facilities in the Northern Territory
- \$98.8 million over five years from 2007-08 to increase teacher numbers in the Northern Territory by 200 over the 2007-08 to 2011-12 period

The Budget also provides for other initiatives as part of the ongoing Northern Territory Emergency Response:

- \$2.3 million in operational funding in 2008-09 for 10 crèches in the Northern Territory
- \$7.4 million in 2008-09 to improve school attendance and engagement by providing breakfast and lunch to school-age children under the School Nutrition program
- \$19.1 million in 2008-09 under the Enhancing Education initiatives including funds to continue professional development of teachers of Indigenous students
- \$75.4 million in 2007-08 and 2008-09 to enhance employment opportunities (including through the provision of Community Employment Brokers) and continue to provide employment services to Indigenous job seekers who were previously on Remote Area Exemptions

It is noteworthy that a number of these measures are reannouncements of previously announced initiatives.

In relation to Indigenous ECE the Budget provided no detail but simply restated its commitment to the eligibility of all Indigenous four year olds to receive 15 hours of Government funded early learning programs per week, for a minimum of 40 weeks a year.

#### 4.4 VET

*The Government's **Education Revolution – Skilling Australia Package** will implement a number of strategies that will ensure that Australian workers have the skills they need so that Australian industry can compete effectively in the global marketplace.*

**Table 12: Skilling Australia for the Future Expense Measures**

	2007-08	2008-09	2009-10	2010-11	2011-12	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>EXPENSE MEASURES</b>						
<b>Education Revolution – Skilling Australia</b>						
– Skilling Australia – school grants for on-the-job training	-	14.0	28.0	28.0	27.9	98.1
– Skilling Australia – Skilling Australia for the Future	33.3	232.6	412.2	620.3	620.3	1,918.6
– Skilling Australia – Skills Australia	2.6	3.0	4.0	5.0	5.0	19.6

#### **Skilling Australia for the Future**

The 5 year \$1.9 billion package, *Skilling Australia for the Future*, is designed to deliver up to 630 000 new training places. It comprises the following five elements:

- \$884.6 million to provide an additional 238,200 vocational education and training places to people currently outside the workforce
- \$704.6 million to provide an additional 391,800 places for people within the workforce
- \$242.2 million for an additional 85,000 Australian apprenticeship places
- \$83.2 million for strengthened industry skills councils
- \$4.1 million for skills and training information centres.

In addition the Government has announced:

- \$98.1 million for grants that will enable year 9-12 students to participate in on-the-job training
- \$19.6 million to create the statutory body, Skills Australia.

The Government says it has already begun delivering on its commitment by creating the first 20,000 new training places for job seekers at a cost of \$33.3 million during 2007-08.

The program will deliver increased funding for Industry Skills Councils of \$83.2 million over 5 years. System and an additional \$19.6 million over 5 years for the formation of Skills Australia to advise the Government.

## **INFRASTRUCTURE**

### ***The Education Investment Fund***

The new \$11 billion Education Investment Fund will provide for capital expenditure and renewal and refurbishment in universities and VET institutions.

It will be funded by \$5 billion from the 2007-08 and 2008-09 Budget surpluses and \$6 billion from the Higher Education Endowment Fund (HEEF), with the potential for money from future surpluses to be channelled into the fund.

Unlike the HEEF, which allowed only for the interest earned to be spent, there will be no cap on yearly allocations from the EIF. Decisions about annual disbursements from the EIF will occur through the annual appropriation process and annual levels of investment will take into account the sectors' needs and "overall macroeconomic conditions"

There will be no disbursements from the EIF in the 08-09 financial year to ensure allocations align with the recommendations of the Higher Education Review and priorities of the university and VET sectors.

The Future Fund Board of Guardians will be responsible for managing the fund.

The advisory board of the EIF will advise the Minister on "the relative merits of funding applications" and will be involved in the transition to the new EIF advisory arrangements.

## 5. FEDERAL GOVERNMENT PAYMENTS TO THE STATES

### Source: Budget Paper No.3 Australia's Federal Relations 2008-09

The Budget Papers contain a restatement of the new Government's commitment to 'co-operative federalism' – aka "a modern framework for federal financial relations" - genuinely collaborative working arrangements with the States, through "a reinvigorated COAG" to "drive a new wave of economic and social reform" including reforming our education and training systems to provide quality learning opportunities for all and addressing social inclusion and closing the gap on Indigenous disadvantage.

#### The new framework for federal financial relations

The Government says that the new COAG-driven framework for federal financial relations will focus on:

- reducing Commonwealth prescriptions on service delivery by the States;
- significant rationalisation of payments for specific purposes;
- a clearer specification of the roles and responsibilities of each level of government; and
- an improved focus on outcomes-based public accountability.

The new framework for federal financial arrangements will commence from 1 January 2009 with the reform of payments for healthcare to be implemented by 1 July 2009.

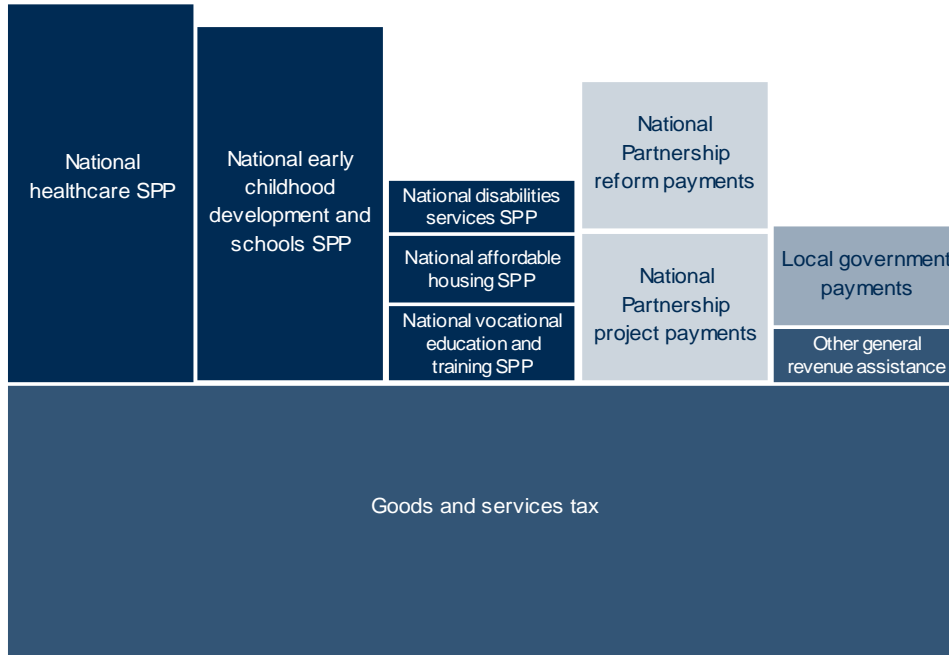
#### Implications for payments of the new federal financial framework

The number of payments for specific purposes will be significantly reduced, without reducing the overall quantum of payments.

The States will continue to receive all GST revenue, but payments for specific purposes (which currently number more than 90) will be rationalised into:

- five or six new specific purpose payments (SPPs) supported by new national agreements in the areas of:
  - healthcare;
  - early childhood development and schools;
  - vocational education and training;
  - disabilities services; and
  - affordable housing.
- some general revenue assistance in respect of payments where there are no compelling national objectives associated with the payment; eg payments to Western Australia and the Northern Territory for offshore petroleum royalties and mining royalties respectively.
- National Partnership payments to:
  - support the delivery of specified projects (such as land transport projects through AusLink);
  - facilitate reforms; or
  - reward the achievement of reform-based performance benchmarks
- continuing financial support for local governments.

**Chart 1: Schematic of payments to the States in the new financial framework**



Source: Chart 1.1 Schematic of payments to the States in the new financial framework BP 3 p7

**Estimates of payments to the States**

In 2008-09, the Commonwealth will provide the States with general revenue assistance, including all GST revenue, of \$45.5 billion and payments for specific purposes of \$33.1 billion, totalling \$78.6 billion, as shown in Table 1.1. This represents a 4.8 per cent increase compared with 2007-08.

**Table 13: Commonwealth payments to the States**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2007-08</b>									
Payments for specific purposes	10,370	7,219	6,315	4,022	2,487	819	468	506	32,207
General revenue assistance	12,034	9,328	8,596	4,097	3,947	1,677	856	2,219	42,753
Total payments to the States	22,404	16,546	14,911	8,120	6,434	2,496	1,324	2,724	74,960
<b>2008-09</b>									
Payments for specific purposes	10,636	7,316	6,571	3,829	2,716	864	493	713	33,137
General revenue assistance	13,020	10,196	8,686	4,335	4,144	1,731	926	2,420	45,458
Total payments to the States	23,656	17,512	15,257	8,164	6,859	2,595	1,419	3,133	78,595
<b>2009-10</b>									
Payments for specific purposes	11,066	8,058	6,709	3,547	2,721	812	534	619	34,066
General revenue assistance	14,452	11,086	9,025	4,704	4,433	1,821	1,016	2,596	49,134
Total payments to the States	25,519	19,144	15,734	8,251	7,155	2,633	1,550	3,215	83,200
<b>2010-11</b>									
Payments for specific purposes	11,380	8,365	7,002	3,668	2,791	828	558	659	35,251
General revenue assistance	15,577	11,862	9,335	4,575	4,648	1,890	1,073	2,782	51,741
Total payments to the States	26,956	20,227	16,338	8,243	7,439	2,717	1,631	3,441	86,992
<b>2011-12</b>									
Payments for specific purposes	11,999	8,936	7,360	3,795	2,903	868	593	495	36,949
General revenue assistance	16,554	12,675	9,815	4,540	4,890	1,978	1,120	2,903	54,475
Total payments to the States	28,553	21,611	17,176	8,335	7,793	2,846	1,713	3,398	91,424

**Table 14: Total payments to the States**

\$million	Existing payments for specific purposes	National SPPs	National Partnership payments	GST	Other general revenue assistance	Total	Growth	Per cent of GDP
1999-00	17,916	-	-	-	24,681	42,597	-	6.6
2000-01	19,207	-	-	24,355	3,715	47,277	11.0	6.9
2001-02	21,458	-	-	26,632	4,841	52,931	12.0	7.2
2002-03	21,781	-	-	30,479	1,734	53,994	2.0	6.9
2003-04	22,940	-	-	33,219	647	56,806	5.2	6.8
2004-05	24,795	-	-	35,323	944	61,062	7.5	6.8
2005-06	26,904	-	-	37,182	1,039	65,124	6.7	6.7
2006-07	28,549	-	-	39,552	-	68,101	4.6	6.5
2007-08(e)	31,994	-	213	42,630	123	74,960	10.1	6.6
2008-09(e)	23,497	6,224	3,415	45,280	178	78,595	4.8	6.4
2009-10(p)	3,433	23,720	6,913	48,260	874	83,200	5.9	6.5
2010-11(p)	4,235	25,001	6,015	50,880	861	86,992	4.6	6.5
2011-12(p)	4,458	26,411	6,080	53,670	805	91,424	5.1	6.5

(e) Australian Treasury estimates.

(p) Australian Treasury projections.

**Funding**

All payments will be paid directly by Treasury and paid direct to each State treasury who will be responsible for distributing the funding within their jurisdiction. Payments are currently provided by Commonwealth portfolio departments to the relevant state agencies; each with its own payment and administrative arrangements.

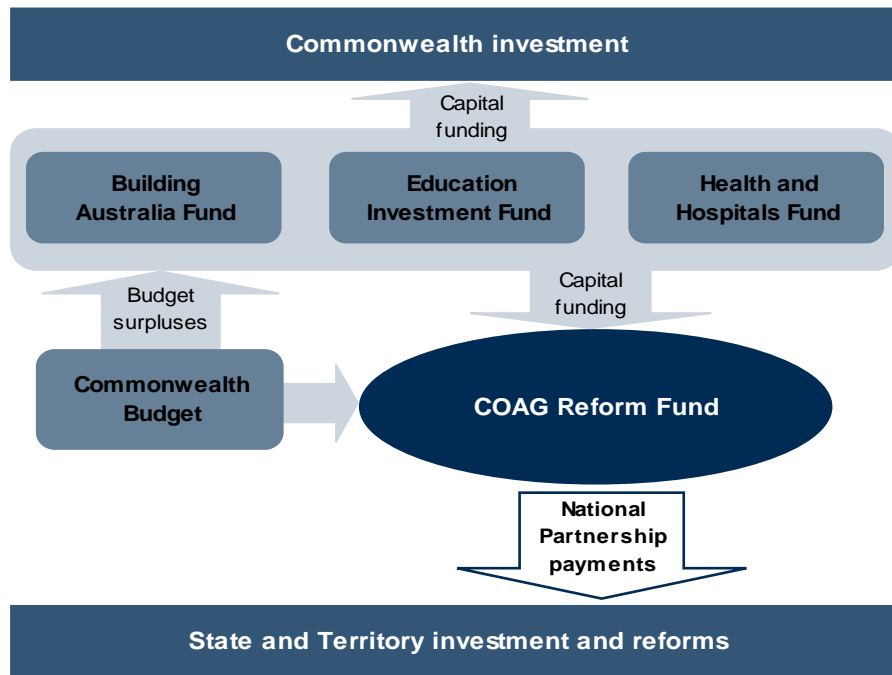
**National Partnership reward payments**

These will be provided to the States which deliver reform progress. They will be structured in a way which “encourages the achievement of ambitious performance benchmarks”, to be assessed by the COAG Reform Council.

**The COAG Reform Fund**

The new fund will receive contributions directly from the Commonwealth Budget as well as from three other funds being set up by the Government for capital investment – the Building Australia Fund; Education Investment Fund; and Health and Hospitals Fund. The funds will be financed largely from future budget surpluses and are intended to underpin future progress on investment and reforms.

**CHART 2: COMMONWEALTH INVESTMENT FUND**



*Substantial reform of Australia's education and training systems is required to provide quality learning opportunities for all Australians, reduce entrenched disadvantage in Indigenous and other communities, and help boost productivity and participation in the economy.*

At the centre of the education reform plan will be new national agreements in respect of early childhood development and schools, and vocational education and training, with additional National Partnership payments to support systemic reforms in the delivery of education services.

COAG has also developed implementation plans for the Government's election commitments, including:

- universal access to early childhood education for children in the year before formal schooling;
- the \$2.5 billion *Trade Training Centres in Schools Program*;
- the \$1.2 billion *Digital Education Revolution*; and
- up to an additional 630,000 training places over five years under the \$1.9 billion *Skilling Australia for the Future* policy.

*COAG has agreed to a set of aspirations, outcomes, progress measures and future policy directions in the key areas of early childhood, schooling and skills and workforce development. These agreed objectives will form the basis of a substantive further reform agenda to be developed over the course of 2008.*

COAG also agreed at its March 2008 meeting to develop, as a high priority, a National Partnership payment focusing on the particular educational needs of low socio-economic status school communities.

In order to guarantee funding for this long-term productivity agenda, the Government will establish an Education Investment Fund, which absorbs and extends the Higher Education Endowment Fund. The Education Investment Fund will provide financing for investment in higher education and vocational education and training facilities. Subject to final budget outcomes for 2007-08 and 2008-09, the Government will make an initial contribution to the fund of around \$5 billion, bringing the total size of the fund to around \$11 billion. The capital and the earnings of the fund will be drawn down over time to invest in the nation's future education and training needs, with funding for specific projects subject to rigorous appraisal criteria. Under these arrangements, the amount of funds available for capital investment in higher education and vocational education and training in coming years will be substantially greater than under the previous arrangements for the Higher Education Endowment Fund. Drawdowns from the Education Investment Fund will not occur before 2009-10.

### **Indigenous Reform**

The Government's election commitments aim to address Indigenous disadvantage across a wide range of fronts. Successful implementation will depend on close cooperation between the Commonwealth and States. These cooperative arrangements aim to bring about substantial benefits in eliminating duplication and overlap. COAG has agreed to goals, including to:

- close the 17 year life expectancy gap within a generation;
- halve the gap in mortality rates between Indigenous and non-Indigenous children under five within a decade;
- halve the gap in reading, writing and numeracy achievement between Indigenous and non-Indigenous students within a decade;
- halve the gap in employment outcomes and opportunities between Indigenous and non-Indigenous Australians within a decade;
- provide all children in the year before formal schooling in remote communities with access to early childhood education within five years; and
- at least halve the gap for Indigenous students in Year 12, or equivalent, completion rates by 2020.

In addition, the objectives and outcomes for each of the new national agreements, covering health, early childhood development and schools, vocational education and training, disability services, and affordable housing, will include a new focus on addressing Indigenous disadvantage.

**Table B.3: Estimated payments to support state education services, by year and State**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2007-08</b>									
<b>Election commitments</b>									
National secondary schools computer fund	32,717	24,775	19,940	10,062	7,521	2,343	1,615	1,026	100,000
<b>Existing payments</b>									
Australian Technical Colleges(a)	-	-	-	-	-	-	-	-	-
Children's services	1,024	1,060	531	462	5,172	331	2	2	8,584
Government schools	612,300	439,781	373,393	182,763	132,773	50,797	30,427	22,582	1,844,816
Government schools (capital)	174,185	125,544	106,630	53,774	39,033	14,315	8,359	6,676	528,516
*non-government schools	1,733,884	1,341,376	1,039,032	519,058	415,835	108,950	105,869	42,124	5,306,128
*non-government schools (capital)	77,306	60,839	41,749	22,561	17,590	4,734	5,182	7,214	237,175
Indigenous education strategic initiatives - government	11,205	7,182	40,343	18,644	6,413	3,270	376	17,456	104,889
Relocation of Amberley State School (capital)	-	-	26,800	-	-	-	-	-	26,800
Skilling Australia's workforce	414,454	308,661	241,639	124,668	93,586	29,130	21,302	12,932	1,246,372
Targeted programs - government schools and joint	169,070	104,081	72,315	39,711	39,300	12,433	4,507	8,804	450,221
*Targeted programs - non-government schools	82,650	65,262	33,757	18,885	18,398	3,685	3,292	2,665	228,594
<b>Payments to local government</b>									
Children's services	12,215	13,445	4,992	1,869	1,222	1,813	-	5,074	40,630
<b>Total</b>	<b>3,321,010</b>	<b>2,492,006</b>	<b>2,001,121</b>	<b>992,457</b>	<b>776,843</b>	<b>231,801</b>	<b>180,931</b>	<b>126,555</b>	<b>10,122,725</b>

**Table B.3: Estimated payments to support state education services, by year and State (continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2008-09</b>									
<b>National early childhood development and schools agreement</b>									
Government schools	1,540,604	1,125,316	893,564	449,607	356,798	103,309	83,719	54,230	4,607,145
Government schools (capital)(b)	326,962	234,838	199,384	97,592	70,894	27,128	16,248	12,059	985,104
Indigenous education strategic initiatives - government	54,682	39,398	32,976	16,882	12,187	4,458	2,633	2,082	165,296
*Non-government schools	12,798	3,657	12,743	9,585	5,984	1,662	388	8,587	55,402
*Non-government schools (capital)(b)	968,446	724,096	571,329	282,589	226,891	58,984	57,883	22,853	2,913,069
Targeted programs - government schools and joint	30,576	24,090	16,481	8,913	6,950	1,892	2,053	2,232	93,186
*Targeted programs - non-government schools	102,216	63,740	42,335	23,649	24,030	7,178	2,769	5,007	270,922
<b>National vocational education and training agreement</b>	44,926	35,498	18,317	10,399	9,864	2,008	1,746	1,411	124,167
Skilling Australia's workforce	213,448	158,835	124,173	64,146	48,320	15,032	10,977	6,688	641,618
<b>National Partnership payments</b>									
Children's services	1,037	1,078	540	469	5,269	336	2	4	8,735
<i>including Election commitments</i>									
Early childhood education and care(c)	~	~	~	~	~	~	~	~	40,000
National action plan for literacy and numeracy(c)	~	~	~	~	~	~	~	~	94,188
National secondary schools computer fund(c)	~	~	~	~	~	~	~	~	390,246
Trade training centres in schools(c)	~	~	~	~	~	~	~	~	233,142
<b>Payments to local government</b>									
Children's services	12,660	13,927	5,175	1,933	1,263	1,878	-	5,250	42,086
<b>Total</b>	<b>3,768,580</b>	<b>2,770,980</b>	<b>2,193,176</b>	<b>1,106,708</b>	<b>873,454</b>	<b>256,504</b>	<b>201,640</b>	<b>134,879</b>	<b>11,305,921</b>
<i>Memorandum item</i>									
Support for government schools	1,156,939	807,698	675,649	346,335	263,772	92,527	52,194	60,634	3,455,749
Support for non-government schools	2,158,019	1,620,697	1,255,441	625,624	503,517	130,770	126,843	55,205	6,476,116

**Table B.3: Estimated payments to support state education services, by year and State (continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2009-10</b>									
<b>National early childhood development and schools agreement</b>	3,310,515	2,381,296	1,915,129	954,402	760,838	218,862	178,619	112,457	9,832,118
<b>National vocational education and training agreement</b>	434,095	323,158	252,809	130,517	98,149	30,541	22,318	13,574	1,305,161
<b>National Partnership payments</b>									
Children's services	1,052	1,098	551	477	5,368	342	2	4	8,894
<i>including Election commitments</i>									
Early childhood education and care(c)	~	~	~	~	~	~	~	~	80,000
National action plan for literacy and numeracy(c)	~	~	~	~	~	~	~	~	156,632
National secondary schools computer fund(c)	~	~	~	~	~	~	~	~	277,142
Trade training centres in schools(c)	~	~	~	~	~	~	~	~	242,934
<b>Payments to local government</b>									
Children's services	12,870	14,157	5,261	1,965	1,284	1,909	-	5,336	42,782
<b>Total</b>	<b>4,003,978</b>	<b>2,907,156</b>	<b>2,326,467</b>	<b>1,164,629</b>	<b>921,978</b>	<b>269,108</b>	<b>213,180</b>	<b>139,168</b>	<b>11,945,663</b>
<i>Memorandum item</i>									
Support for government schools	1,203,296	838,965	703,623	360,999	274,560	96,431	54,238	64,142	3,596,253
Support for non-government schools	2,326,716	1,709,961	1,348,078	662,502	536,661	138,040	135,328	55,288	6,912,573

**Table B.3: Estimated payments to support state education services, by year and State (continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2010-11</b>									
<b>National early childhood development and schools agreement</b>	3,442,992	2,535,212	2,050,466	1,014,194	812,435	232,707	191,089	119,080	10,398,175
<b>National vocational education and training agreement</b>	441,386	328,585	257,055	132,708	99,797	31,054	22,693	13,802	1,327,080
<b>National Partnership payments</b>									
Children's services	1,064	1,118	560	486	5,466	349	2	4	9,049
<i>including Election commitments</i>									
Early childhood education and care(c)	~	~	~	~	~	~	~	~	100,000
National action plan for literacy and numeracy(c)	~	~	~	~	~	~	~	~	159,761
National secondary schools computer fund(c)	~	~	~	~	~	~	~	~	200,000
Trade training centres in schools(c)	~	~	~	~	~	~	~	~	253,137
<b>Payments to local government</b>									
Children's services	13,067	14,373	5,340	1,994	1,304	1,937	-	5,417	43,432
<b>Total</b>	<b>4,128,778</b>	<b>3,055,875</b>	<b>2,458,122</b>	<b>1,222,687</b>	<b>971,820</b>	<b>282,366</b>	<b>225,323</b>	<b>145,663</b>	<b>12,490,634</b>
<i>Memorandum item</i>									
Support for government schools	1,244,673	866,880	727,344	373,147	283,889	99,878	56,025	66,550	3,718,386
Support for non-government schools	2,396,287	1,820,149	1,447,525	704,070	573,955	146,859	144,984	58,858	7,292,687

**Table B.3: Estimated payments to support state education services, by year and State (continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2011-12</b>									
<b>National early childhood development and schools agreement</b>	3,651,863	2,698,907	2,180,043	1,076,174	863,215	246,922	203,611	122,930	11,043,665
<b>National vocational education and training agreement</b>	450,205	335,149	262,191	135,360	101,790	31,674	23,147	14,077	1,353,593
<b>National Partnership payments</b>									
Children's services	1,079	1,138	570	495	5,564	355	2	4	9,207
<i>including Election commitments</i>									
Early childhood education and care(c)	~	~	~	~	~	~	~	~	300,000
National action plan for literacy and numeracy(c)	~	~	~	~	~	~	~	~	162,538
National secondary schools computer fund(c)	~	~	~	~	~	~	~	~	200,000
Trade training centres in schools(c)	~	~	~	~	~	~	~	~	263,700
<b>Payments to local government</b>									
Children's services	13,278	14,604	5,426	2,025	1,325	1,968	-	5,505	44,131
<b>Total</b>	<b>4,414,377</b>	<b>3,279,225</b>	<b>2,637,274</b>	<b>1,309,944</b>	<b>1,040,191</b>	<b>301,963</b>	<b>241,761</b>	<b>152,099</b>	<b>13,376,834</b>
<i>Memorandum item</i>									
Support for government schools	1,302,634	909,455	759,678	388,457	295,841	104,288	58,735	66,541	3,885,627
Support for non-government schools	2,550,677	1,944,570	1,548,179	752,550	613,550	156,862	155,019	62,869	7,784,276

\* Items so marked are classified as payments through the States.

- (a) Total expenditure on Australian Technical Colleges is estimated at \$459.2 million over the five years to 2011-12. Most of this funding is classified as Australian Government own-purpose expenses. Payments to the States for this program are included under non-government schools programs to 2008-09 and National early childhood development and schools agreement from 2008-09.
- (b) Capital payments for government and non-government schools have been bundled with the National early childhood development and schools agreement, however, the precise treatment of this payment under the new framework for federal financial relations is yet to be decided.
- (c) There is no basis on which to estimate state allocations. In this case, the total is notionally allocated on an equal per capita basis.

Jenni Devereaux