

1997

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
THE HOUSE OF REPRESENTATIVES

**INDIGENOUS EDUCATION (SUPPLEMENTARY ASSISTANCE)
AMENDMENT BILL 1997**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Employment, Education, Training and Youth
Affairs, Senator the Honourable Amanda Vanstone)

88753 Cat. No. 96 9143 X ISBN 0644 504382

**INDIGENOUS EDUCATION (SUPPLEMENTARY ASSISTANCE)
AMENDMENT BILL 1997**

OUTLINE

The Bill is intended to amend the *Indigenous Education (Supplementary Assistance) Act 1989*, (the principal Act).

The purpose of the Bill is to implement the Government's commitment to:

- (a) lift the requirement for at least 10% of enrolled students to be Indigenous before a non-government non-systemic preschool or school or a non-government vocational education and training institution can be funded under the principal Act; and
- (b) allow for the cost supplementation of grants appropriated in subsections 13B(4), (5), (6) and (7) of the principal Act.

FINANCIAL IMPACT

The net impact of the Bill is to provide a small increase in amounts appropriated for the years up to 2000.

REGULATION IMPACT STATEMENT

Problem

This Regulation Impact Statement relates to the proposed amendment to lift the requirement for at least 10% of enrolled students to be Indigenous ("the 10% requirement") before a non-government non-systemic preschool or school or a non-government vocational education and training institution ("VET institution") can be funded under the principal Act.

The 10% requirement has had the unforeseen and undesired effect of denying supplementary financial assistance from the Commonwealth to educational institutions with significant Indigenous enrolments.

The non-government Schools Census shows that out of a total of 10,853 Indigenous students enrolled in non-government schools, 1,428 (13%) of these students attend non-systemic schools in which the Indigenous enrolments are less than 10% of the total enrolment. There is one school, for example, which has 70 Indigenous enrolments out of a total enrolment of more than 700 and does not attract supplementary recurrent per capita funding because it fails the 10% requirement.

The 10% requirement is not necessary given the continuation of the additional requirement of the principal Act that the relevant educational institutions have a minimum number of Indigenous students (5 for pre-schools, 20 for other institutions). By retaining these minimum

thresholds, the Commonwealth should avoid high administrative expense and the doubtful educational benefit of providing small grants to many small schools with few Indigenous enrolments.

Identification of alternatives

The current 10% rule is considered unnecessarily restrictive, and is having unintended consequences. Alternatives to dropping the 10% requirement have not been considered. The lifting of the 10% requirement is seen as the simplest and most effective resolution of the problem.

Impact analysis

There are no negative impacts on business as a result of the proposed removal of the 10% requirement. It is likely that 10 additional non-government, non-systemic schools would become eligible to apply for supplementary recurrent expenditure under the principal Act. At present there is no indication that any non-government non-systemic preschools or non-government VET institutions might become eligible.

As funding for supplementary recurrent expenditure to eligible non-government, non-systemic preschools and schools and non-government VET institutions under sections 10D, 10E and 10F of the principal Act is calculated on a per capita basis, there will be no offsetting losses to educational institutions currently attracting financial assistance under these sections. However, the increases in funding for supplementary recurrent expenditure as a result of the removal of the 10% requirement will result in a reduction in the level of residual discretionary funding available under the Strategic Results Projects fund payable under paragraph 9A(1)(b) of the principal Act.

In accordance with section 8 of the principal Act, funding recipients must enter a funding agreement with the Commonwealth. Section 10 requires recipients to provide an acquittal of amounts paid. There would be little or no additional administrative cost to future funding recipients in complying with this requirement.

The removal of the 10% requirement will result in no additional administrative costs to the Commonwealth or state/territory administrations.

Consultation

There has been consultations with the National Catholic Education Commission on this proposal.

Review

The impact of this change will be incorporated into DEETYA programme monitoring.

NOTES ON CLAUSES

Clause 1 - Short title

This clause identifies the legislation as the *Indigenous Education (Supplementary Assistance) Amendment Act 1997*.

Clause 2 - Commencement

This clause provides that the Act will commence on the day on which it receives the Royal Assent.

Clause 3 - Schedules

This clause states that Schedules 1 and 2 amend the *Indigenous Education (Supplementary Assistance) Act 1989*, (the principal Act).

Schedule 1 - Funding of education for Indigenous students: minimum percentage of Indigenous students no longer required

This Schedule eliminates the requirement for at least 10% of enrolled students to be Indigenous before a non-government non-systemic school or preschool or a non-government VET institution can receive supplementary recurrent funding by repealing subparagraphs 10D(1)(c)(ii), 10E(1)(c)(ii) or 10F(1)(c)(ii), respectively.

The amendment leaves in place the requirement for there to be a minimum of 20 Indigenous students in a non-government non-systemic school and a non-government VET institution and for there to be a minimum of 5 Indigenous students in a non-government non-systemic preschool.

Schedule 2 - Funding of education for Indigenous students: cost supplementation

This Schedule adds section 13C ‘Cost Supplementation’ at the end of Part 3 of the principal Act. The new section makes the following amendments:

- (a) subsection 13C(1) prescribes that regulations may state a number to be used to vary amounts in subsections 13B(4), (5), (6) and (7), and that the number is to be worked out after considering changes in an index determined in writing by the Minister for Finance;
- (b) subsection 13C(2) prescribes that the number (the **stated number**) in the regulations referred to in subsection 13C(1), is to be multiplied by the amounts (the **stated amounts**) in subsections 13B(4), (5), (6) and (7), as relevant, and that the product is to be the new amount appropriated for the period prescribed in the subsections; and

- (c) subsection 13C(3) prescribes that the amounts calculated under subsection 13C(2) are to be rounded, where necessary, to the nearest \$1,000.

The Schedule also adds 'Part 5 Regulations' and a new section 15 at the end of Part 4 of the Act. The new section, which empowers the Governor-General to make regulations, will enable the new section 13C to operate.