States Grants (Schools Assistance) Amendment Bill (No.2) 1989

Date introduced: 26 October 1989
House: House of Representatives
Portfolio: Employment, Education and Training

Digest of Bill

Purpose
To provide grants for schooling in 1990 and cost supplementation for 1989; and to establish grants in respect of rural student hostels.

Background
The Commonwealth makes annual grants to the States, Northern Territory and the A.C.T. in respect of schools and these provide approximately 11% of total spending on government schools and 36% of spending on non-government schools. Funding for government schools is based on resource agreements with the States (to be read as including the Northern Territory and A.C.T.), which set out agreed aims (such as retention rates) and oblige the States to provide the Commonwealth with certain information. Grants to non-government schools are based on the category, (from 1 to 12) the school fits into, which is determined by need.

Funding for schools in 1989 is determined in accordance with the Ministers statement of May 1988 which dealt with the period 1989 – 92. The government gave a commitment that there would be real increases in recurrent grants over the period and that non-government schools would be maintained in their current categories. However, new non-government schools will only be funded in the lowest six of the 12 categories and require a greater minimum student level to be eligible for admission to the grants scheme.

Means of improving access for rural students was considered as part of a rural statement delivered earlier this year. One of the main difficulties facing rural students is the distances between institutions offering varied courses, usually due to a lack of resources at schools with small student numbers. One method of overcoming this was seen to be the construction of hostels at certain government and non-government schools. To enable this, a category of rural student hostels will be created and will be eligible for capital grants. A total of $1 million will be made available under this scheme for 1990.

The Bill will appropriate $2 212 million for 1990, and additional funds for
cost supplementation in 1989. Cost supplementation refers to the practice of adjusting the previous years grants to take account of cost increases in that year.

Main Provisions

A definition of 'rural student' hostel will be inserted into the States Grants (Schools Assistance) Act 1988 (the Principal Act) by clause 3. This will be a non-profit hostel that provides accommodation for secondary students from rural areas. There will be government and non-government student hostels.

A new Part VIIA, dealing with grants for rural student hostels, will be inserted into the Principal Act by clause 10. Proposed section 40A will allow the Minister to approve capital grants for rural student hostels, while proposed section 40B will limit the total grants under the scheme to $1 million in 1990 and allow conditions to be imposed on grants.

Grants to States in respect of non-government hostels are to be subject to a number of conditions, including that the funds be paid to the approved hostel as soon as possible (proposed section 40D).

Clause 15 will substitute new Schedules into the Principal Act. The Schedules will provide the funding levels for 1989 and 1990.

For further information, if required, contact the Education and Welfare Group.

7 November 1989

Bills Digest Service
Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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