

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 ADDITIONAL ESTIMATES HEARING

Outcome: 1
Output Group: 1.1 - Funding for schools

DEST Question No. E714_04

Senator Carr asked on 18 February 2004, EWRE Hansard page 112/113

Question:

While you are there, could you have a look at Taylors College in Melbourne for me? Could you provide details of the registered entity Taylors College, its shareholding and office bearers? I understand it presents itself as a for-profit entity and I am just wondering how it secures Commonwealth funding. I understand they have 98 students listed for Commonwealth recurrent purposes; is that correct?

If you could because what concerns me here is how do you define 'not for profit'. Under the Act, how is that defined?

Answer:

Taylors College (Melbourne)

The Department currently recognises Taylors Institute of Advanced Studies Limited as the approved authority of Taylors College. Taylors Institute of Advanced Studies Limited is an Australian Public Company, limited by guarantee and not having a share capital. The current approved signatories are Mr Trevor Fullett (Finance Director) and Mr David Burns (General Manager). Other companies which may have an association with Taylors Institute of Advanced Studies Limited have not been investigated.

To be eligible for Australian Government recurrent funding it is a requirement under the *States Grants (Primary and Secondary Education Assistance) Act 2000* (the Act), that a company provide evidence of its incorporation, that it has the power to conduct a school and is not conducted for profit. The rules governing the incorporated body must also include provisions relating to it being wound up. Taylors Institute of Advanced Studies Limited has met these requirements.

Based on the 2003 Census data, the school currently receives Australian Government General Recurrent Grant funding for 102.2 students. The school does not receive funding for an additional 729 Full Fee Paying Overseas Students currently enrolled at the school.

The Act does not define "not for profit". There are provisions in Corporations legislation and Taxation legislation which govern the issue of whether a company is conducted for some purpose other than profit. Not for profit or non-profit organisations are organisations that are not carried on for the purpose of making profits, and that any profits that are made are prohibited from being distributed to the members of the organisation. This prohibition may extend to profits being distributed on the winding up or dissolution of the Company. If a company is not being conducted in accordance with the provisions set out in its Constitution then the matter can be referred to the Australian Securities and Investment Commission for investigation. Non-government schools are required to submit Financial Questionnaires to

the Department which are drawn from accounts independently audited or based on information submitted to a Qualified Accountant for audit purposes. A copy of the Qualified Accountant's opinion is forwarded to the Department. If a school's accounts showed that the company was operating for profit it would be expected that the Qualified Accountant or Auditor would raise this as a concern.