

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. E831_04

Senator Carr provided in writing.

Question:

In his response to suggested amendments to the States Grants legislation, to strengthen the 'needs' principle for Commonwealth capital funding for non-government schools, the Minister stated that this was unnecessary because Block Grant Authorities were required to observe this principle in their advice on allocations.

Could the Department outline the current procedures for assuring the integrity of BGA decisions? What checks are made to protect the 'needs' principle, and what criteria are used? If no checks, how does the Department satisfy audit requirements?

Answer:

Capital grants to non-government schools

Capital Grants for non-government schools are made through Block Grant Authorities (BGAs) which ensures funding decisions are made by the Government based on expert advice and at arms length. Each BGA has an agreement with the Australian Government. Participating schools must have an agreement with the BGAs. These agreements formally bind both the BGAs and the schools to grant conditions.

BGAs are fully accountable for the funds provided under the Capital Grants Program and BGA Schedules of recommended projects for funding must comply with requirements listed in the *Commonwealth Programmes for Schools Quadrennial Administrative Guidelines 2001-2004* and the *Administrative Arrangements for Block Grant Authorities*. These require BGAs to assess whether projects are eligible for funding, whether there is a need for a project, and the level of funding to be provided by the school.

The BGAs then prioritise projects primarily on the basis of the relative educational disadvantage of the student population of the school. BGAs are required to use a methodology that is primarily quantitative and which is sufficiently discriminating to be capable of dividing the full range of its schools into at least five levels of disadvantage. The methodology must be applied in a consistent way and be able to be supported by evidence. BGAs must be able to justify their recommendations to an independent appeal body or a Departmental audit. BGAs are audited by the Department to ensure that they comply with Australian Government requirements and that funds are properly accounted for.

BGAs are required to provide, by 30 June each year, a financial accountability statement relating to grants received and expenditure in the previous calendar year as well as information on completed projects in that year. This information covers broad indicators such as degree of educational disadvantage of the students supported by the grant, and relationships of projects to area standards and to Australian Government priorities for schooling.

In assessing individual applications for funding, BGAs conduct school visits and consider a range of factors including area standards, accommodation and curriculum needs. School financial data is examined to determine the school's capacity to contribute, its debt servicing capacity and the income available to the school from various sources. BGAs assess educational disadvantage using a combination of different methodologies and indicators such as SES scores, numbers of isolated or special needs students, and health and safety issues.