

## EDUCATION, SCIENCE AND TRAINING

### SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2003-2004 SUPPLEMENTARY BUDGET ESTIMATES HEARING

**Outcome:** 1  
**Output Group:** 1.1 – Funding for schools

#### **DEST Question No. E413\_04**

Senator Carr asked on 5 November 2003, EWRE Hansard page 130

*Refers to DEST Question EO15\_04*

#### **Question:**

I would be interested in the names of schools that have received support under this program across Australia. Would you have a list that could help me with that?

#### **Answer:**

*Schools Transitional Emergency Assistance Program*

A table setting out funding provided to individual schools in the program years 2000 to 2003, and the reasons for that funding, is provided below.

The STEA Program is available to provide financial assistance to non-government schools in the event of an unexpected circumstance causing severe, temporary financial difficulty. The Program does not cover government schools because they are part of a State system which has responsibility to meet the costs of its schools and, for the same reason, funds would not normally be available to schools which form part of a larger non-government system.

Non-disclosure clauses are included in the STEA contracts between the schools and the Australian Government for both parties. This element is included to protect the school. If it became public knowledge that a school was failing there is a considerable risk that parents would withdraw their children from the school and compound the problem facing the school. This could negate any assistance provided to the school through the STEA Program. In line with these non-disclosure clauses it is the practice of the Government not to release the names of the individual schools assisted through this Program.

Schools applying for assistance must meet certain criteria to be eligible and must also provide and implement a robust Business and Recovery Plan which sets out the way in which the school will address the financial problems it faces. The plan must address the causes of the school's problems and provide a way forward including operational and structural changes, if necessary. The four criteria are

- **transitional:** the school must demonstrate that it has the capacity, with assistance, to resume operating satisfactorily;
- **emergency:** the school must show that, because of the situation it faces, the financial viability of the school, its curriculum or the welfare of the students is threatened;
- **unexpected:** the circumstance facing the school could not reasonably have been foreseen;
- **special need:** the school must demonstrate it does not have access to resources to address its financial needs.

In assessing an application for assistance, the Department aims to ascertain the root causes of the problem facing the school and to ensure that these causes are addressed. To this end it will, in many cases, obtain the advice of an independent expert on the financial condition of the school and, in consultation with the school, ensure that the expert's recommendations are addressed in the school's Business and Recovery Plan.

In some cases this has necessitated changes in the governance arrangements for schools.

Grants are made on the basis of a contract and, where recommendations are to be implemented, progress payments are made against clear and unequivocal milestones which the schools must meet.

#### Details Of Grants Under STEA Program Since 2000

	State	Reasons For Grant	Amount Of Grant
<b>2000 Program Year</b>			
1	NSW	Small rural community school – problems caused by economic downturn in local region. Significant cash flow difficulties. Grant provided to assist with deficit.	\$62,585
2	NSW	Rural boarding school experiencing downturn in enrolments caused by the economic downturn in the school's main catchment area. Significant cash flow difficulties. Grant provided to assist with deficit.	\$200,000
3	NSW	Rural boarding school experienced a marked decline in enrolments, and income, over past years. It attributed this decline in enrolment numbers to the downturn in the rural economy. Some loss in income from reduction in number of full fee paying overseas students. Grant provided to assist with deficit.	\$540,124
4	NSW	Small school that experienced a marked decline in enrolments and consequent loss in cash flow.	\$120,000
5	NSW	Co-educational boarding school experiencing financial problems driven by a marked decline in enrolments due to the economic downturn in rural Australia.	\$166,000
6	NSW	Indigenous day school with financial crisis driven by a dramatic downturn in its fee collection rate as well as the discovery of outstanding tax liabilities owed by the school. STEA Grant made to assist with outstanding liabilities and to implement recovery plan.	\$69,000
7	Qld	Small rural school with cash flow problems stemming from a decline in enrolments largely attributable to drought experienced over the last few years. The new SES funding arrangements will bring a considerable boost in funding to the school.	\$20,119

<b>8</b>	Qld	A girls' day and boarding school that experienced a sudden decline in enrolments due to the economic downturn in rural Australia. The new SES funding arrangements will bring a considerable boost in funding to the school.	\$156,000
<b>9</b>	Qld	Indigenous combined day and boarding school experiencing financial difficulties caused by a sudden downturn in enrolments. Some significant underlying problems that included a lack of financial expertise in the school's management and some flaws in the internal financial control procedures at the school. The STEA grant was made to assist with financial difficulties and with restructuring of school's management procedures.	\$550,000
<b>10</b>	Qld	A combined day and boarding school that experienced a marked decline in its boarding numbers particularly full fee paying overseas students. The school claimed that the downward trend in its overseas enrolments was being driven by the downturn in the Asian economy as well as the rural recession in Australia. The new SES funding arrangements will bring a considerable boost in funding to the school.	\$100,000
<b>11</b>	Tas	Special School for children with disabilities experienced significant cash flow difficulties when enrolments fell after reduction in staffing levels to curb expenditure.	\$25,246
<b>12</b>	Tas	Combined day and boarding school that experienced a marked decline in enrolments driven by the economic recession in Tasmania and demographic change accompanying the recession. The new SES funding arrangements will bring a considerable boost in funding to the school and return it to a more competitive footing. Grant provided to assist with deficit.	\$195,980
<b>13</b>	WA	School experiencing poor enrolments because of slow sales in adjacent housing estate and competition from higher funded new schools. The new SES funding arrangements will bring a considerable boost in funding to the school. Grant provided to assist with deficit and implement Recovery Plan.	\$200,000
<b>14</b>	WA	School had problems with determining the correct level of fees to support its operations due to the school's uncertainty with its SES entitlement causing cash flow and income deficit. Grant provided to assist with deficit and implement Recovery Plan.	\$29,046
<b>15</b>	NT	Telstra built a large mobile phone tower within three metres of the school boundary and fifty metres from the nearest classrooms. Over the eighteen months that the school fought to have Telstra remove the mobile phone tower enrolments fell dramatically. The Telstra tower was eventually removed but the school needed assistance to recover from the period of enrolment decline. Grant provided to assist with deficit.	\$295,000

16	NSW	A series of unexpected staffing related problems placed an unusually high burden on the school's financial resources. The school's financial crisis was further exacerbated by the NSW Government decision to reduce funding for schools in funding categories 1 - 3. The school is receiving increases under the SES funding model. Grant provided to assist with deficit.	\$14,298
<b>2001 Program Year</b>			
17	NSW	Significant cash flow difficulties with decreased enrolments due to rural economic conditions. Some impact also from decline in full fee paying overseas students. Grant to assist with immediate cash flow and implement Business and Recovery Plan.	\$129,464
18	Qld	Small rural school suffering loss in enrolments and income due to local economic conditions and drought.	\$28,536
19	NSW	Small rural school suffering loss in enrolments and income due to staffing problems. Grant to assist with immediate cash flow and to implement Business and Recovery Plan and restructure the school's operations.	\$175,000
20	Tas	Significant cash flow difficulties due to sudden enrolment losses. Grant to assist with immediate cash flow and to implement Business and Recovery Plan.	\$30,000
21	Qld	Indigenous day and boarding school experiencing financial difficulties caused by unexpected significant costs associated with boarding facilities and operations. Grant provided to assist with deficit and implement Recovery Plan.	\$250,000
22	NSW	Small rural school suffering loss in enrolments and income due to staffing problems. Grant to assist with immediate cash flow and implement Business and Recovery Plan.	\$80,000
23	NSW	Rural boarding school suffering a loss in income due to decline in enrolments, particularly boarding students, and decrease in NSW Government funding to Category 1-3 schools. Decline in enrolments due to decline in rural economic conditions. School will receive increased funding under SES funding model. Grant provided to assist with deficit and implement Recovery Plan.	\$150,000
24	NSW	Rural Indigenous primary school facing cash flow crisis. Some significant underlying problems that included a lack of financial expertise in the school's management and some flaws in the internal financial control procedures at the school. The STEA grant was made to assist with cash flow crisis and with restructuring of school's management procedures.	\$149,000

<b>25</b>	NSW	Rural boarding school suffering a loss in income due to decline in enrolments, particularly boarding students. Decline in enrolments due to decline in rural economic conditions. School will receive increased funding under SES funding model. Grant provided to assist with deficit and to implement Recovery Plan.	\$200,000
<b>26</b>	Qld	Regional boarding school suffering a loss in income due to decline in enrolments, particularly boarding students. Decline in boarding enrolments due to rural economic recession. School will receive increased funding under SES funding model. Grant provided to assist with deficit and to implement Recovery Plan.	\$200,000
<b>27</b>	Tas	School experienced severe financial difficulties due to structural problems with school buildings and school site. School unable to meet costs of relocating. Grant provided to provide some assistance with associated costs.	\$500,000
<b>28</b>	NSW	Special school facing operating deficits and cash flow difficulties due to a sudden decrease in private income. Grant provided to assist with deficit and to implement two-year Recovery Plan including a restructuring of its operations.	\$116,000
<b>29</b>	NSW	Large city school with cash flow difficulties due to downturn in its fee collection rates, decrease in primary enrolments and unexpected increase in expenditures. Grant provided to assist with deficit and implement Recovery Plan.	\$300,000

<b>2002 Program Year</b>			
<b>30</b>	Qld	School suffering cash flow difficulties due to sustained decrease in enrolments. Grant provided for analysis of school's financial situation and to prepare recovery plan. No further assistance provided.	\$10,000
<b>31</b>	Qld	Regional boarding school suffering cash flow difficulties due to significant increase in expenditure. Initial Grant provided for analysis of school's financial situation and to prepare recovery plan. Further Grant provided to assist with immediate cash flow and to implement Business and Recovery Plan.	\$460,000
<b>32</b>	WA	Small rural school suffering loss in enrolments and income due to staffing problems. Grant to assist with immediate cash flow and implement Business and Recovery Plan.	\$50,000
<b>33</b>	Qld	Small rural school suffering loss in enrolments and income due to local economic conditions and drought.	\$15,000
<b>34</b>	Qld	Indigenous day and boarding school experiencing financial difficulties caused by unexpected significant costs associated with boarding facilities and operations. Grant provided to assist with deficit and implement Recovery Plan.	\$50,000
<b>35</b>	WA	School catering to students at risk facing operating deficits and cash flow difficulties due to unexpected relocation of school and shortfall in enrolments. Grant provided to assist with deficit and implement Recovery Plan.	\$50,000
<b>36</b>	NSW	Special school facing operating deficits and cash flow difficulties due to a sudden decrease in private income. Grant provided to assist with deficit and to implement second year of Recovery Plan including a restructuring of its operations.	\$90,000
<b>37</b>	Qld	Regional boarding school suffering cash flow difficulties due to significant underlying problems that included a lack of financial expertise in the school's management and some flaws in the internal financial control procedures at the school. The STEA grant was made to assist with financial difficulties and with restructuring of school's management procedures.	\$450,000
<b>38</b>	Tas	School suffering cash flow difficulties due to sustained decrease in enrolments. Grant provided for analysis of school's financial situation and to prepare recovery plan. No further assistance provided.	\$10,000

39	Qld	Small rural school suffering loss in enrolments and income due to local economic conditions and drought.	\$60,000
40	NSW	School suffering cash flow difficulties due to sustained decrease in enrolments. Grant provided for analysis of school's financial situation and to prepare recovery plan. Further assistance may be provided to implement recovery plan.	\$12,000
41	NT	Isolated school experienced severe financial difficulties due to collapse of air conditioning system in school buildings. School unable to meet costs of replacement and continue operation. Grant provided to provide some assistance with operational costs.	\$300,000
42	Vic	School experiencing financial difficulties due to significant increases in security costs after Twin Towers attack and Bali bombings. Grant provided to assist with initial expenses.	\$55,000
<b>2003 Program Year</b>			
43	WA	Small rural school suffering loss in enrolments and income due to staffing problems. Grant to implement Business and Recovery Plan.	\$40,000
44	ACT	Special school facing operating deficits and cash flow difficulties due to total destruction of school by bushfire. Grant provided to assist with deficit and to implement Recovery Plan including a restructuring of its operations.	\$300,000
45	SA	Small rural school suffering temporary loss in enrolments and income. Grant to assist with immediate cash flow and allow school to continue to operate until end of year to prevent Year 12 students from being disadvantaged.	\$30,000
46	ACT	School suffered considerable damage due to bushfires. Grant to assist the school with costs associated with providing a safe environment for students.	\$27,000