



Federal Budget 2009

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Special Edition

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On Tuesday 12 May 2009, the Australian Treasurer, The Hon Wayne Swan MP, delivered the 2009 Federal Budget. In his speech to Parliament, Treasurer Swan claimed that the 2009 budget was a 'nation-building budget' and stated that the budget 'continues to build our Education Revolution – the schools and universities and TAFEs and training places we need for the future'. The budget papers claimed that the budget 'continues the Government's drive for a world-class education system and an innovative knowledge-based economy. It builds on investments in early childhood, schools and vocational education and training and continues to support both public and private sector innovation.' In a media release accompanying the Budget, the Minister for Education, Employment and Workplace Relations, The Hon Julia Gillard MP, emphasised that 'the Rudd Government is investing a record \$62.1 billion in Australian schools from 2009-2012...As part of the Government's Education Revolution, this record investment will help ensure every Australian school is a great school and every Australian child receives a world class education.' Nonetheless, most of the funding announced in the budget for schools is based on programs that have previously been announced through the *Schools Assistance Act 2008*, the *National Education Agreement*, the *Building the Education Revolution* program, the *Digital Education Revolution* program and the various *National Partnership* programs. Most new education funding announcements have revolved around tertiary education, particularly on the implementation of several recommendations of the *Review of Australian Higher Education* (the Bradley Review).

Teacher Training

Minister Gillard confirmed that, in line with the recommendation of the Bradley Review, education units of study at university will be shifted from the national priority band to Band 1. As a consequence, universities will be able to charge students who commence education courses in 2010 up to \$5201 per unit, compared with a current maximum contribution of \$4162 per unit. Minister Gillard stated that the extra charges were expected to generate an additional \$108 million over four years for universities, and that the funding would encourage universities to offer quality teaching courses. In order to offset the additional costs to students, Minister Gillard announced that the existing incentives for mathematics and science graduates to undertake teaching will be extended to all new education graduates who join the profession. Under the plan, students who graduate from education courses from 2 September 2009 and who take up and remain in teaching will be entitled to a reduction in their annual Higher Education Loan Program (HELP) repayments. The reduction is worth \$1536 per annum in 2009-10. Minister Gillard stated that 'there is nothing more important to the quality of our schools, than the quality of our teachers. Teacher quality is the single greatest influence on student engagement and achievement, making it crucial that university courses are of the highest quality.

Year 12 Attainment

In order to implement the commitment at the recent Council of Australian Governments meeting that governments would endeavour to ensure that 90 per cent of Australians aged between 20 and 24 years of age would have completed Year 12 or its equivalent by 2015, the Australian Government has allocated \$100 million over six years towards a *National Partnership on Youth Attainment and Transitions*. There is currently insufficient information to determine the basis upon which this funding will be provided to states and territories.

Government Primary Schools

The budget has allocated an estimated \$635 million over four years in additional recurrent funding for government primary schools. The funding follows the Australian Government's announcement in 2008 that the 2009-2012 National Education Agreement would remove the distinction between the primary and secondary proportions of the Average Government School Recurrent Cost (AGSRC), which ensured that state and territory governments received greater funding for secondary school students than for primary school students.

Drought Assistance

The budget has provided \$10.1 million over two years to extend various allowances and supplements for students affected by drought. Funding of \$1061 per student for the Distance Education Allowance Supplement will be extended to 30 June 2010, while the additional Boarding Allowance of \$1000 per student and the consequential ABSTUDY Boarder's rate for School Fees Allowance will be extended to 31 December 2010. For schools, \$26 million has been provided in 2009-2010 to extend the *Drought Assistance for Schools* program until 30 June 2010. Eligible government and non-government schools in Exceptional Circumstances-declared areas will be able to access up to \$10,000 to assist rural families experiencing financial hardship as a result of the drought.

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Indigenous Funding

The *Sporting Chance Program* will receive an additional \$10 million over four years to encourage school engagement and positive learning outcomes for indigenous students. The existing program has established school-based sports academies that focused on the participation and engagement of indigenous boys in education. The expansion of the program will focus on the establishment of 10 new school-based sports academies that emphasise girls' participation and engagement, as well as a sports academy that focuses on rugby league.

Discontinued Programs

The Australian Government has abolished the *National Projects* component of the Australian Government Quality Teacher Program (AGQTP). Instead, funding has been allocated to the *Smarter Schools – Improving Teacher Quality National Partnerships*. The budget papers indicated that this would save the Australian Government \$32.2 million over four years. The cancellation of this element of AGQTP will not affect the funding administered by AISV for Victorian independent schools. In addition, the *Increased Opportunities for School-Based New Apprentices in the Trades* program will be discontinued from 1 July 2009. The Australian Government claimed that the take-up for this program had been low and that a number of other, overlapping programs existed that provided targeted assistance for school-based apprentices.

Tertiary Funding & Youth Allowance

Most of the funding announced in the 2009 budget was directed towards the tertiary sector. Treasurer Swan announced that \$5.3 billion would be allocated to higher education and innovation over six years. He announced that, of this funding, \$2.6 billion from the Education Investment Fund would be distributed over four years for capital programs at universities and TAFEs. Treasurer Swan also indicated that the Australian Government would update indexation arrangements for university grants and estimated that this would require an additional \$577.5 million over three years. He indicated that the additional funding would enable universities to improve staff/student ratios and to improve the quality of teaching and learning. A further \$512 million over four years has been tagged to cover the indirect costs of research grants, which are not covered under current research block grant guidelines. The budget also allocated \$437 million to implement the Australian Government's commitment to increase the proportion of students from disadvantaged backgrounds attending university to 20 per cent of undergraduate enrolments by 2020. As part of this funding, universities will receive \$108 million over four years to develop partnerships with schools and vocational education and training providers that will encourage more students to consider a university education. Treasurer Swan indicated that approximately \$490 million would be provided over four years to remove the caps on university student numbers. As previously flagged by Minister Gillard, from 2012 university funding will be driven by student demand, with universities funded according to the number of students enrolled in courses. Finally, the Australian Government will disband the existing Australian Universities Quality Agency and allocate \$57 million to establish the new Tertiary Education Quality and Standards Agency. Treasurer Swan indicated that future funding increases for tertiary institutions would be linked to performance measures overseen by the new agency. Tertiary institutions' funding would be linked to agreed performance outcomes regarding quality, participation and completion rates. University groups noted that the funding announced by Treasurer Swan was focused primarily on increasing the number of young people undertaking tertiary study, rather than on increasing the funding per student that universities received. In order to facilitate increased participation in tertiary study, Treasurer Swan also announced that changes would be introduced to the Youth Allowance and ABSTUDY. The Australian Government will progressively reduce the age at which students can claim the independent Youth Allowance from 25 to 22 years of age, increase the parental income test threshold from \$32,800 to \$42,559 and increase the maximum income that students can receive without a reduction in their income support payments from \$236 per fortnight in 2010 to \$400 per fortnight in 2011.

Responses to the Budget Announcements

Media Release, Australian Education Union, 12/05/09; Media Release, Independent Schools Council of Australia, 12/05/09; Media Release, Catholic Education Office, 13/05/09; The Age, Farrah Tomazin, 13/05/09; The Australian, Andrew Trounson, 13/05/09; The Australian, Justine Ferrari, 13/05/09; Canberra Times, Emily Sherlock, 13/05/09

While *The Age* categorised the budget's education initiatives as measures designed 'to stop the tertiary system falling behind', the *Canberra Times* noted that 'the primary and high school sectors were all but overlooked when it came to new funding'. In *The Australian*, Justine Ferrari welcomed the Australian Government's recent measures to improve the quality of teaching, but warned that 'the challenge is to ensure that schools and teachers aren't paid to just continue what they are doing, but scrutinise their practices and are forced to shed those shown not to work'. The Federal President of the Australian Education Union, Mr Angelo Gavrielatos, was critical that the budget failed to provide additional funding for government schools. He stated that 'in terms of the underlying trends in the Budget, private schools still continue to receive two thirds of the Commonwealth Government's recurrent funding for school education. This underscores the importance of the Government announced 2010 review of schools funding. The review must deliver a fairer schools funding system, which recognises the primary obligation of governments to properly and adequately fund public schools.' By contrast, the Director of Catholic Education in Melbourne, Mr Stephen Elder, welcomed the Australian Government's confirmation of previously announced funding programs for schools and 'called on the Federal Government to retain the current Socio Economic Status (SES) funding model for non-government schools which ensures fairness and equity'. The Executive Director of the Independent Schools Council of Australia, Mr Bill Daniels, stated that 'parents contribute most of the day to day costs and more than 80 per cent of the capital costs associated with an independent school education. The Government's continuing commitment to meet some of the costs of independent schools is a welcome recognition of the investment made by many parents.'

Go to www.aph.gov.au/budget/ to access a copy of the 2009 Budget Papers.