



Australian Government

# BUDGET INFORMATION

REALISING OUR POTENTIAL **2007**



## EDUCATION FOR LIFE

AUSTRALIAN GOVERNMENT DEPARTMENT OF EDUCATION, SCIENCE AND TRAINING

## FOREWORD FROM MINISTER BISHOP

Education is the fundamental, essential and enduring building block for Australia's ongoing prosperity. Increased investment in education enables more Australians to contribute to our society, ensures our workforce is skilled and productive and enhances economic growth.

We must aim for higher standards in education to support Australians in their quest to learn, to discover and to innovate.

This year the Australian Government will provide an unprecedented \$4 billion investment in education, science and training, with the \$3.5 billion Realising Our Potential package, a centrepiece of this year's Budget.

Together with a landmark \$5 billion in capital investment for the Higher Education Endowment Fund, this Budget charts the course for education, science and training. We now have a blueprint for the future by investing in sustainability, excellence, quality, diversity and access in our universities, our schools and our training sector.

At a time of increasing global competitiveness, demand for skilled workers and dynamic changes in the workforce, it is vital that our nation sets its sights on attaining world class standards.

I have stated previously that our universities are expected to not only equip graduates with the skills needed for the 21st century but also to create new knowledge that will underpin Australian innovation and global competitiveness. They should be accessible to eligible students whatever their background and be accountable to the taxpayers who sustain them, with transparency in their operations.

Through the reforms announced in the Budget, universities will have the freedom and flexibility to pursue their individual missions and to diversify and specialise. Our universities will be able to respond to student needs and labour market demands. Our aim is to make Australian universities synonymous with excellence in education.

Our higher education reforms are supported through increased funding for Australia's public scientific and research institutions to ensure innovation remains one of the major drivers of economic growth in Australia. Commonwealth Scientific Industrial Research

Organisation (CSIRO), Australian Nuclear Science and Technology Organisation (ANSTO) and the Australian Institute of Marine Science (AIMS) have all received significant boosts in funding.

Every parent has the right to expect a high quality education for their child which develops fundamental skills needed for the 21st century. Every parent has the right to those expectations regardless of the school their child attends – public or private, regional or metropolitan. This Budget supports parents' expectations.

The Australian Government is already investing record levels in funding for school education to support parental choice and higher standards in schooling. In this Budget a further \$1.2 billion will be invested to improve teacher quality, provide increased support for remote and regional students, invest even further in raising numeracy and literacy standards across the nation, and importantly raise overall standards through greater national consistency.

This Government has now paid off previous government debt, has delivered successive Budget surpluses, and through its strong economic management, is now able to make an investment of this magnitude in education, science and training for the future security and prosperity of all Australians.



**THE HON JULIE BISHOP MP**

MINISTER FOR EDUCATION,  
SCIENCE AND TRAINING



## FOREWORD FROM MINISTER ROBB

In the world of tomorrow, Australians with trade and technical skills will be centre stage.

In the future over 60 percent of jobs will require technical or vocational qualifications yet only 30 percent of the population have these skills.

If this is to be corrected we must start by restoring the status of technical and vocational training. For too long we have talked down the trades. This attitude is changing and must change.

The \$668.1 million initiatives in this Budget are part of continuing the Government's commitment to ensuring Australia has the skilled workforce it needs now and into the future – as a key ingredient of a strong and healthy economy.

The first and second year of apprenticeships can be particularly difficult – as I have spoken to employers, apprentices and parents it became clear that increasing the take home pay of apprentices would encourage young men and women to pursue a career in the trades.

The Apprenticeship 'Wage Top –Up' measure will give all apprentices under 30 in the first and second year of their apprenticeship a tax free \$1,000 wage top up – cash when it is most needed. This will apply to all apprentices in areas of skills shortage.

We will also be providing all first and second year apprentices in areas of skills shortage up to \$500 per year towards their TAFE or other training fees – without age limit.

The Australian Technical Colleges are meeting a real need for high quality technical education, they are beacons of excellence and in this Budget we are announcing the establishment of three more in Perth, Brisbane, and Western Sydney. This \$83.6 million additional investment will ensure that there are two Australian Technical Colleges in each of our five largest cities, to complement the 18 other Australian Technical Colleges in regional cities.

There are also new initiatives which support Fast Track Apprenticeships so that apprentices can reach their qualifications sooner whilst meeting all the requirements of employers and industry.

We also want to encourage the top trades people and those who want to take higher level vocational qualifications in a registered training organisation such as a TAFE . To assist these students we are extending FEE-HELP to full fee paying students in Diploma and Advanced Diploma courses.

Assisting Indigenous Australians to access training is also a priority and this Budget provides funding aimed at attracting, engaging and supporting Indigenous communities.

The Australian Government also understands the challenges facing students with a disability and we will be providing assistance to access further education for students to achieve their chosen studies and move on to suitable employment.

Building the Australia of tomorrow requires a commitment from all of us – young people entering vocational education, those people in mid career who are retraining, employers and Government.

This package builds on our commitment to this future.



**THE HON ANDREW ROBB AO MP**  
MINISTER FOR VOCATIONAL  
AND FURTHER EDUCATION



## INTRODUCTION

The Australian Government will boost funding for the Education, Science and Training portfolio with an unprecedented initial investment of \$5 billion in a Higher Education Endowment Fund and additional spending of \$4 billion over four years. This historic investment includes a major reform package which will fundamentally reshape the university landscape and drive quality improvements in Australian schooling.

This commitment, which builds on record funding already provided by the Howard Government in previous Budgets, brings a stronger focus on enhancing support for, and growing excellence in, learning- be it in the classroom, on campus, the science lab or on the job training.

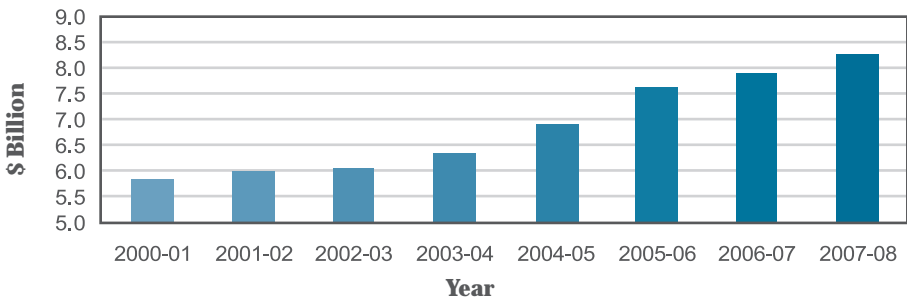
This Budget reform package will enable Australia to meet the emerging challenges of a world economy that is knowledge driven and skills intensive.

## HIGHER EDUCATION

Through the Australian Government's Our Universities: Backing Australia's Future package announced in 2003, higher education providers were given access to an additional \$11 billion in funding over 10 years to deliver world-class higher education. In 2006 the Australian Government built on that package, particularly through an increased investment in university infrastructure, with more than \$559.6 million in additional funding over five years from 2005-06.

Now in 2007, an unprecedented investment in higher education has been achieved through the establishment of a new, ongoing, \$5 billion Higher Education Endowment Fund which, together with a range of other measures totalling \$1.7 billion, will fundamentally reshape the higher education landscape. This will allow more world-class universities to emerge and encourage greater excellence, diversity and specialisation in the sector.

**Higher Education Funding provided to Universities 2000-01 to 2007-08**



Higher Education funding under HESA, HEFA and ARC provided to universities. Total Commonwealth funding including research and loan programmes. Figures also include 2006 Budget Decisions.

Features of the additional investment in higher education include:

- \$556.9 million over four years to simplify university funding structures and provide additional funding for disciplines in areas of skills need;
- \$211.2 million over four years to give universities greater flexibility to manage student numbers and course mixes to respond to student demand and address skills needs;
- \$208.6 million over four years (\$67 million in new funding) to create the new Diversity and Structural Adjustment Fund to assist universities to diversify and specialise. Priority will be given to regional and smaller metropolitan universities which can demonstrate the greatest need for structural reform;

- \$77 million over four years to help teacher education students gain more practical experience working in classrooms before they enter the profession; and
- \$222 million to improve access to tertiary education for students by increasing the number of Commonwealth Scholarships; extending eligibility for Rent Assistance to Austudy recipients; and extending the eligibility for Youth Allowance and Austudy to students undertaking approved Masters by coursework.

The reforms will streamline the regulation of our universities and the Australian Government will seek from the states a referral of their regulatory powers over the financial management of universities to reduce red tape.

The \$5 billion endowment fund will provide a guaranteed and ongoing stream of earnings to the sector, amounting to over \$900 million over the first four years, to contribute to improved capital works and research facilities. The Government intends to make further investments in the Fund from future Budget surpluses to ensure the ongoing sustainability of our universities.

### New Cluster Funding Structure and Rates for 2008

Disciplines in new clusters	Funding in 2007	Funding in 2008*
Law	\$1,642	} \$1,674
Accounting, Administration, Economics, Commerce	\$2,703	
Humanities	\$4,556	\$4,647
Mathematics and Statistics	\$5,381	} \$8,217
Behavioural Science and Social Studies	\$7,233	
Education	\$7,950	
Computing, Built Environment, other Health	\$8,057	
Clinical Psychology	\$7,233	} \$10,106
Allied Health	\$8,057	
Foreign Languages, Visual and Performing Arts	\$9,908	
Nursing	\$10,953	\$11,280
Engineering, Science, Surveying	\$13,411	\$14,363
Medicine, Dentistry and Veterinary Science	\$16,810	} \$18,227
Agriculture	\$17,870	

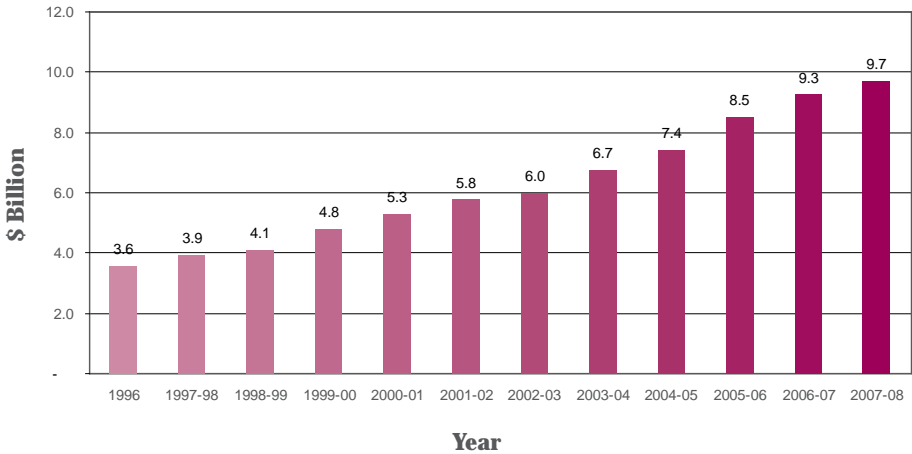
\* Estimates based on current rates of indexation (HEIF) and increases in 2008 (including 7.5% increase conditional on meeting the National Governance Protocols and Higher Education Workplace Relations requirements).

## SCHOOLS

In the 2007-08 Budget, the Australian Government has focused on higher standards through greater national consistency and teacher quality.

Around 3.4 million students from over 9,600 schools and school communities across Australia will benefit from almost \$1.2 billion in additional funding over four years. This additional funding takes the total level of investment by the Australian Government for schooling to over \$9.7 billion in 2007-08. This represents a 172% increase in funding since 1996.

**Australian Government Schools Funding 1996 to 2007-08**



This Budget includes:

- \$457.4 million over four years to provide direct assistance to thousands of parents of students who have not achieved minimum standards in reading, writing or mathematics in Years 3, 5, 7 and 9;
- \$101.7 million over four years for the new Australian Government Summer Schools for Teachers programme to be delivered by Australia's best tertiary educators for outstanding teachers. Each teacher will be rewarded with a \$5,000 bonus on completion;
- \$53.2 million over four years to rewarding schools for improving literacy and numeracy. Schools will be eligible for a grant of up to \$50,000;
- \$77 million to boost funding for universities to ensure the practical experience of student teachers is high quality and represents a substantial component of teacher education courses;

- an additional \$127.8 million over four years to double the rate of funding for intensive English as a Second Language (ESL) tuition for students entering Australia under the Humanitarian Programme;
- \$195.9 million to extend the highly successful Investing in Our Schools Programme for small infrastructure projects;
- \$121 million over four years to support students in more than 400 regional and remote non-government schools achieve better educational outcomes;
- \$14.5 million over three years for a new pilot programme to trial the use of aptitude tests by universities as an alternative or supplementary method for assessing Year 12 students seeking tertiary entrance each year;
- \$5 million over two years to work with stakeholders to develop national teacher training and registration standards; and
- \$13 million over two years to work with states and territories to develop core curricula standards in English, Maths, Physics, Chemistry, Biology and Australian History for Years 11 and 12; and English, Maths, Science and Australian History for Year 10, to assist in raising standards in schools. Adopting the resulting standards will be a condition of Australian Government funding from 2009 onwards.

This \$1.2 billion injection provided to government and non-government schools is in addition to the record levels of funding provided to schools over the 2005-2008 period. However, there must be a sustained effort by government and non-government education authorities to lift school standards. To ensure this happens, the Australian Government will, from 2009, require that government and non-government authorities:

- introduce national teacher training and registration standards to improve the skills of new teachers;
- include external assessment as part of Year 12 certificates and common descriptions of levels of achievement;
- introduce greater principal autonomy in school management and teacher employment arrangements;
- introduce performance-based pay for teachers to encourage and reward excellent teaching; and
- report school and student performance against national benchmarks (including literacy and numeracy results), with school and state comparisons.

## INDIGENOUS

The educational outcomes of Indigenous Australians have improved over the last decade in the enrolment, participation and achievement of Indigenous students in both the early education and school sectors. More Indigenous young people are now in traineeships and apprenticeships and there has been recent growth in Indigenous enrolments in TAFE colleges, VET institutions and universities. In 2007 the Australian Government continues its commitment and national leadership role to support choice and opportunity for Indigenous young people.

This Budget provides an additional \$214 million in increased education and training funding to support Indigenous education, particularly to support Indigenous students living in remote communities where secondary education and training choices are limited.

The 2007-08 Budget will provide:

- \$36 million to expand the Indigenous Youth Leadership Programme from the current 250 scholarships to 1,000 over four years;
- \$33.2 million to expand Indigenous Youth Mobility Programme places from the current 640 places to 1,500 over four years;
- \$27.7 million for up to 1,000 Indigenous higher education students annually, particularly those who need to relocate from rural and remote areas, to receive a one-off payment of \$4,000 to take up a university undergraduate or enabling course;
- \$5.2 million for enhancements to ABSTUDY;
- \$50 million to assist non-government boarding schools, particularly those in remote and regional areas, that accommodate significant numbers of Indigenous students to upgrade facilities; and a \$15.3 million investment for upgrades to their accommodation facilities;
- \$21.4 million over four years to fund projects aimed at attracting, engaging and supporting Indigenous adults in regional and remote communities to take up training opportunities in their local area, particularly through the Australian Government's Work Skills Voucher programme;
- \$15.1 million to convert around 200 Community Development Employment Project positions into jobs in the education sector; and
- \$10.2 million to complete the preservation of a unique historical and cultural resource collection held by the Australian Institute of Aboriginal and Torres Strait Islander Studies.

## TRAINING

A skilled workforce is the cornerstone of healthy industry and healthy industry is the foundation of a strong economy. The 2007-08 Budget recognises that restoring the true value of technical and vocational training is crucial for the future wellbeing of the Australian economy.

The \$3.5 billion Realising Our Potential package includes an additional \$638 million for vocational training, building on last October's \$837 million Skills for the Future package.

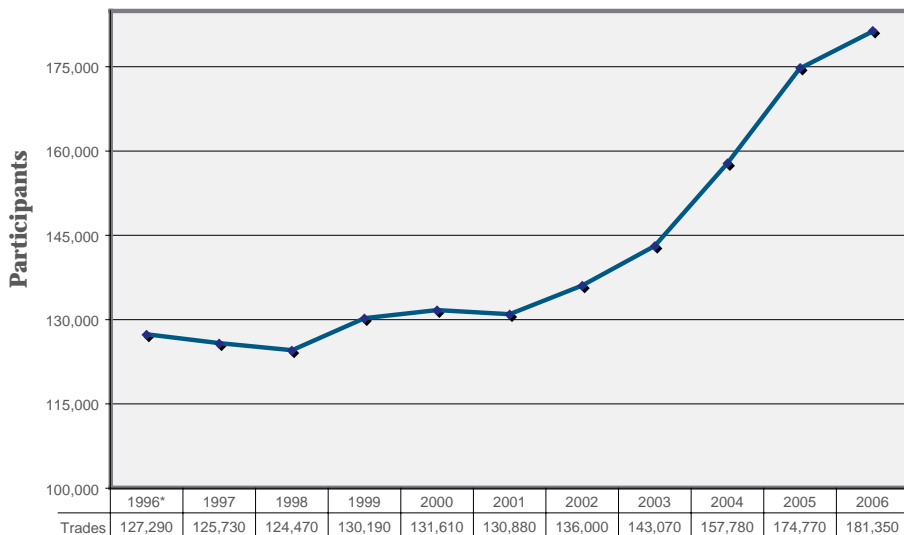
An increasing number of Australians are choosing a vocational training pathway - each year more than 1.6 million Australians enrol in publicly funded vocational and technical training, including over 400,000 participating in Australian Apprenticeships- but there is more to be done if we are to maintain an upward trend.

It is important for all Australians to recognise the value of a VET career. Skills shortages, especially in the trades, open up more opportunities for individuals to pursue a worthwhile and financially rewarding career through VET. The up-front costs in the early stages of a career can present a real financial challenge to individuals to the point that they are a disincentive. This Budget addresses that disincentive in a number of ways to encourage greater VET participation, especially in the trades.

This Budget provides:

- \$83.6 million in funding to establish three additional Australian Technical Colleges in northern Perth, southern Brisbane and the greater Penrith region of New South Wales;
- funding of \$342.5 million to provide first and second year apprentices in trades facing a skills shortage, who are under 30 with a tax free, \$1,000 wage 'top up', and \$206.4 million to provide up to \$500 each year without an age restriction towards their TAFE or other training fees, to boost apprenticeship wages;
- \$58.5 million to assist Registered Training Organisations to work with industry and local employers to develop and implement 'fast-track apprenticeships';
- FEE-HELP will be extended to full-fee-paying students in Diploma and Advanced Diploma courses that are accredited as VET qualifications, where agreed credit for a university degree is available to the student; and
- \$8.7 million in new funding over four years to assist people with a disability to access post-school education and training.

## Australian Apprentices In-Training as Trade and Related Workers 1996-2006



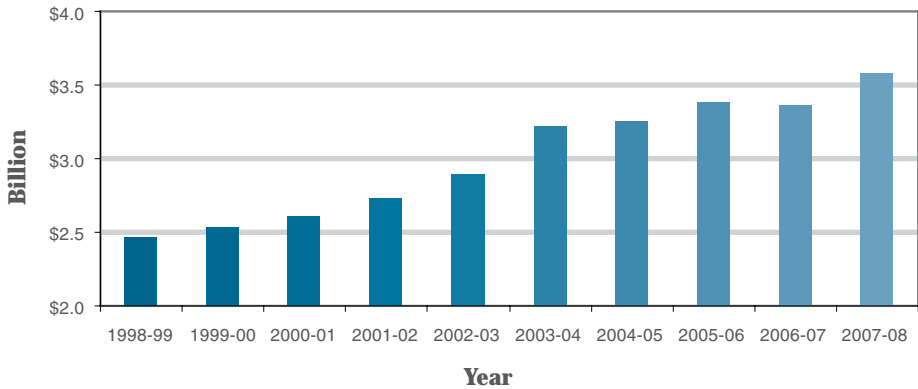
**September Quarter**  
(March Quarter for 1996)

## SCIENCE AND INNOVATION

For Australia to be a globally competitive world-class science and innovation based economy, we must be equipped to offer even more new ideas and new technologies, and to build on our capacity to attract high calibre students and researchers to our country.

Funding of \$6.5 billion in 2007-08 marks the highest amount ever spent by any Australian Government on science and innovation programmes. This will build on the significant investment from the seven-year, \$5.3 billion commitment made in 2004 through the Backing Australia's Ability – Building our Future Through Science and Innovation package.

**Education, Science and Training Portfolio  
Science and Innovation Expenditure**



This Budget includes:

- \$50 million in support of the Australian Synchrotron;
- \$56.6 million for the Australian Square Kilometre Array Pathfinder; and
- increased funding of \$8 million over four years for Australia's four Learned Academies.

CSIRO will receive \$2.8 billion including \$244.5 million for new measures over the next four years:

- \$174 million to support an expansion of the Flagships programme including in niche manufacturing, minerals and climate adaptation and energy;
- \$51.7 million to support construction of the Australian Square Kilometre Array Pathfinder;
- \$16.8 million for the Australian Animal Health Laboratory to improve diagnostic testing of new and emerging diseases; and
- \$2 million to develop a Wellbeing Plan for Children.

ANSTO will receive \$61 million for new measures:

- \$22 million to support the operation of the new OPAL reactor;
- \$35 million for the automation of Radiopharmaceuticals and Industrials production processes; and
- \$4 million for low-level radioactive waste compaction equipment which will substantially reduce the volume of low-level waste stored at ANSTO.

AIMS will receive an additional \$5 million to support research into marine ecosystems in northwest Australia which will underpin the environmental protection and sustainable use of marine resources.

