



Australian Government

Department of Education, Science and Training

Budget Information 2005 at a Glance

The education, science and training systems play a crucial role in building a better future for all Australians.

Our ability to deal with the many unforeseen challenges that lie ahead in a rapidly changing world depend on our ability to quickly learn new skills, to be more adaptive and innovative, and to embrace life-long learning.

The 2005-06 Budget provides a record \$89.6 billion over the next four years for the Education, Science and Training Portfolio. Funding in 2005-06 will total more than \$20.9 billion, an increase of \$2.4 billion over the amount available in the previous year.

This investment consolidates and extends the strong commitment already made by the Howard Government to ensuring Australia's future economic growth and social well-being. The programmes and initiatives funded in this, the Howard Government's tenth Budget, will assist in creating more robust, responsive and inclusive Australian education, training, science and innovation systems.

TRAINING

Our challenge for Australia is to maintain and further strengthen the vocational education and training sector by building an industry-led system that delivers what Australian businesses, communities and individuals need to build their own personal, and our collective, economic and social prosperity.

Every year over 1.7 million Australians enrol in publicly funded vocational education and training, an increase of 35% since 1995, representing more than one ninth of Australia's working age population.

The Howard Government is undertaking a major reform of the vocational education and training system, to deliver on its commitment to national consistency across the whole system and to ensure that, working with industry and business, it can address areas of emerging skills needs. The Government is also working towards better quality training and outcomes for clients, through more flexible and accelerated pathways, and simplification and streamlining of processes.

WHAT THIS BUDGET WILL PROVIDE:

This year the Australian Government will spend a record \$2.5 billion on vocational and technical education, including an additional injection of over \$280.6 million for a suite of new initiatives designed to address skill needs, particularly in the traditional trades.

The funding package for 2005-06 includes:

- \$120 million to extend entitlement to the Youth Allowance, Austudy and ABSTUDY to New Apprentices to ease the financial burden they face in the initial years of training;
- \$65.4 million to establish 24 Australian Technical Colleges in regional and metropolitan locations suffering skills needs to provide quality education and trade training for senior secondary students;
- \$28.7 million for a tool kit for each New Apprentice starting an apprenticeship in specific trades from 1 July 2005;
- \$27.5 million for the Australian Network of Industry Career Advisers to ensure that all 13-19 year olds have access to professional career advice to achieve a successful transition through school and from school to further education, training and work;
- \$15.3 million for a Scholarship for New Apprentices who successfully complete the first and second year of a New Apprenticeship in a trade with skill needs with a small to medium sized business;
- \$12.6 million for an additional 5,000 places in the New Apprenticeships Access Programme which assists job seekers who experience barriers to skilled employment to obtain and maintain a New Apprenticeship;

- \$5.8 million towards an additional 7,000 School-Based New Apprenticeship opportunities and up to 4,500 pre-vocational training places in the trades over the next four years through group training arrangements;
- \$4.3 million to establish the Institute for Trade Skills Excellence which will provide industry, as a key client of the national training system, with the capacity to identify, acknowledge, reward and promote excellence in trade skills development and training;
- \$0.5 million to extend entitlement to Living Away From Home Allowance to third year New Apprentices (currently only first and second year New Apprentices are eligible);
- \$0.3 million for incentives for employers of young people who have obtained a recognised qualification at their own expense after leaving school (currently they are not eligible to attract incentives); and
- \$0.2 million to minimise poaching of New Apprentices nearing the completion of their apprenticeship by recognising the contribution of each employer who provided more than 25% of the training for the New Apprentice.

The Australian Government is also providing an additional \$157.8 million in 2005-06 to assist older Australians and parents make a successful transition back into the workforce as part of the *Welfare to Work* initiative.

The package boosts funds available to train Australians preparing to re-enter the workforce. The package includes:

- \$42.6 million over three years from July 2006 to expand education and training opportunities for parents and older workers who have been away from the workforce;
- \$8.2 million for the Language Literacy and Numeracy Programme to provide training to increase the English language or literacy and numeracy competency of those moving from welfare to work;
- \$312,000 each year from 2006-07 to support a further 1,200 parents with career advice as they prepare to return to work; and
- reducing the taper rate for Youth Allowance students, Austudy and ABSTUDY recipients to enable full-time students to keep more of their allowance while working.

SCHOOLS

Schools enrol 3.3 million students, employ 250,000 teachers and consume some \$26 billion of taxpayers' money each year. Apart from parents, schools, and more specifically teachers, exert the greatest influence on our children's development.

In the year ahead the Howard Government's key priorities include: boosting literacy and numeracy levels; raising the quality, professionalism and status of our teachers; providing a nationally consistent schooling system; ensuring that school principals have more power over the running of their schools; ensuring that quality information about a child's progress and about the performance of schools is made available to parents; and seeing that Australian values are explicitly taught in schools, and that special programmes to assist boys and to stamp out school bullying are implemented.

WHAT THIS BUDGET WILL PROVIDE:

The Howard Government's tenth Budget has allocated record funding of an estimated \$8.5 billion to Australian schools and students for 2005-06, an increase of \$589 million or 7.4% over last year.

The unprecedented funding for schools and students in 2005-06 continues the trend of the past nine Howard Government Budgets. Since 1996, Australian Government funding for all schools has grown by an estimated 138.2%.

In 2005-06, over \$3 billion is being provided for state schools and students – an increase

of \$222 million or 8.0% over the past year and a 93.0% increase since 1996.

Catholic and Independent schools will receive a 7.1% increase over the previous year's funding.

This substantial commitment highlights the national leadership shown by the Howard Government in education.

State and Territory Governments own state schools, manage them and provide about 88% of their public funding. The Australian Government believes it is vital that State and Territory governments properly fund their schools.

This Howard Government Budget commits an estimated \$635.6 million for school capital works which represents a massive 29% increase on the previous year. This includes an additional \$163.3 million for state schools in 2005-6 from the *Investing in Our Schools Programme*. Under this programme, state school communities will determine their own funding priorities and apply directly to the Australian Government for funding. An extra \$80 million is also provided for non-government schools under this programme in 2005-6.

The Budget also commits:

- An estimated \$498.6 million in 2005-06 for an overarching targeted programme, the Literacy, Numeracy and Special Learning Needs Programme. This programme targets the most disadvantaged students, including students with disabilities.

- A \$139.9 million boost for quality teaching in Australia through the extension of the Australian Government Quality Teacher Programme (AGQTP). The AGQTP is the Australian Government's flagship initiative for improving the quality of school teaching and school leadership in Australian schools. This initiative will continue to provide funding for important national initiatives, addressing the needs of teachers in relation to national priorities such as the education of boys and Indigenous students, and the teaching of literacy and numeracy.
 - An estimated \$73.8 million over the next four years to 2008-09 to assist rural and isolated families. The Assistance for Isolated Children scheme's (AIC's) Basic Boarding Allowance has been increased by an estimated \$39.6 million over four years to 2008-09 through an increase from \$4,446 to \$6,000 per student per year from 1 January 2005. ABSTUDY's Basic School Fees Allowance has also increased to \$6,000 per year, providing an estimated additional \$13 million over four years to 2008-09. These increases will assist students with little choice other than to board away from home at a school, hostel or private home. The AIC's Distance Education Allowance has also increased to \$3,000 per year for students who study at home through distance education, with total additional funding estimated at \$21.3 million over the four years to 2008-09.
 - An estimated \$13.1 million over five years to 2008-09 for the new Non-government School Term Hostels Programme, in recognition of the right of families living in the bush to access a range of options for their children. Eligible hostels will attract a grant of \$2,500 per year per eligible student, with programme funds to be used for maintenance and operational costs of the hostel.
 - An estimated \$27.6 million for the Languages programme to improve learning outcomes of students learning languages other than English.
- The Howard Government continues to strongly support parental choice in schooling. The Socioeconomic Status (SES) system is now fully implemented as the method of determining the general recurrent funding entitlement for every non-government school. Under the SES formula, schools which draw students from low socio-economic areas receive Australian Government funding of up to 70% of total public expenditure provided to a student in a state school. Schools drawing students from the wealthiest areas receive just 13.7% of total public expenditure provided to a student in a state school.
- The Howard Government is strongly committed to ensuring that every child is given the chance to find and achieve their potential through choice and opportunity in education. The 2005-06 Budget for schools continues to strengthen the Australian Government's leadership role in schooling across Australia.

INDIGENOUS EDUCATION

The Australian Government is committed to closing the educational divide between Indigenous and non-Indigenous students. Whatever we achieve in education, we cannot as a nation consider to have been successful while Indigenous education outcomes lag so far behind the rest of the population.

Significant progress has been made in improving the education outcomes for Indigenous students. However, unacceptable disadvantage remains. Whilst Year 12 retention rates have risen to record levels, they are still only half that of non-Indigenous Australians. Although national literacy and numeracy benchmark results are the best to date, they are still well below the non-Indigenous rate, particularly in remote areas.

WHAT THIS BUDGET WILL PROVIDE:

The Howard Government's tenth Budget continues to build on its commitment to improving opportunities for Indigenous students in pre-school, schooling, training and higher education with \$505.4 million in funding for 2005-06. This is an increase of \$12.3 million over the current financial year.

The 2005-06 Budget commits to funding three new significant initiatives targeted at students from remote areas where the need is greatest:

- \$23.1 million over five years will be provided for the *Indigenous Youth Mobility Programme*. This Programme will help young Indigenous people from remote Australia to access training and

employment opportunities on offer in major regional and urban centres. Participants will elect to relocate to major regional centres with the support of their families and communities to take up training.

- \$12.9 million over five years will be provided for the *Indigenous Youth Leadership Programme*. This initiative will enable talented young Indigenous Australians, mainly from remote areas, to access high performing schools and tertiary institutions located in cities and regional centres. 250 school and university-based scholarships will be provided.
- \$8.7 million over four years will be provided for the *Tutorial Support for Remote Indigenous Students*. This Programme will assist more than 2,000 Indigenous students over 4 years who move away from their remote community to attend a school, by providing them with access to high quality tutorial assistance in their first year away from home.

The 2005-6 Budget also provides funding for:

- *Aboriginal and Torres Strait Islander Study Assistance Scheme (ABSTUDY)* (an estimated \$205.4 million)
This is a major component of the Australian Government's commitment to Indigenous equity. It assists Indigenous students at secondary and tertiary levels by providing income support and supplementary benefits to address the historical disadvantages they face in education.

- *Indigenous Education Strategic Initiatives Programme (IESIP) (\$195.7 million)*
 The IESIP programme provides supplementary recurrent funding on a per-student basis to independent pre-schools, government and non-government schools and independent vocational and educational training institutions. IESIP is focused on improving literacy and numeracy for Indigenous students, increasing Indigenous enrolments and attendance, increasing the involvement of Indigenous people in education, and providing culturally inclusive education.

ESIP also funds national strategies such as the coalition of school principals' 'Dare to Lead' initiative and the 'What Works' initiative which assists teachers and school leaders to develop new skills for working with Indigenous students. Importantly, assistance to whole-of-government initiatives in remote Indigenous communities, such as Murdi Paaki, is also provided through this programme.
- *Indigenous Education Direct Assistance Programme (IEDA) (\$70.4 million)*
 The IEDA programme supports high quality tutorial assistance for Indigenous students at key stages of their education, initiatives to promote parent and school partnerships to improve student learning outcomes, and homework centres in communities that face a very difficult educational environment.
- *Indigenous Support Programme (\$29.4 million)*
 An increase of some \$2.3 million in the next financial year will enable institutions to invest further in initiatives designed to increase the participation and success of Indigenous students in higher education.
- *Indigenous VET Infrastructure Programme (\$4 million)*
 \$4 million will be allocated to improve vocational education and training for Indigenous people. Funds are used to support a range of projects such as purchase of mobile training units and equipment and construction of training centres.
- *Indigenous Higher Education Advisory Council (\$0.3 million)*
 During the next twelve months, the Council will provide the Australian Government with advice to further improve outcomes for Indigenous students and staff in terms of their participation, progression, and retention in both study and employment in higher education.
- *Indigenous Staff Scholarships (\$0.2 million)*
 Over the next twelve months, a further five national scholarships will be awarded to Indigenous staff in higher education to take one year of leave from their university employment to undertake full-time higher education study.

From January 2005, the shape and direction of Indigenous education programmes changed significantly. Programmes have been restructured in order to redirect funding to initiatives that have been demonstrated to work, to direct a greater weighting of resources to Indigenous students in remote areas, and to leverage mainstream funding for Indigenous education purposes. Important conditions, including attendance benchmarks, are attached to the funding for the restructured programs.



HIGHER EDUCATION

The Australian Government has already committed to increased investment of \$11 billion over the next ten years for higher education in Australia and has embarked on a wide-ranging reform agenda to improve the quality of our higher education system and the choices available to students.

If Australia is to remain internationally competitive it must build on its higher education system and ensure that it remains nationally consistent, high quality and flexible. The challenge for Australia is to make sure our system not only stays internationally competitive, but that our best universities are in the top tier of world rankings. Universities must continue to diversify, and to foster creativity, and excellence in teaching and research. At the same time our universities must be responsive to the needs of their local students and communities.

WHAT THIS BUDGET WILL PROVIDE:

The Australian Government is investing \$7.8 billion in the higher education sector, including \$31.9 million in new initiatives in the 2005-06 Budget to provide students with better facilities and more course options across a range of campuses.

Australia is developing global expertise in many academic fields - such as tropical sciences - and the Government is committed to building a strong higher education sector by ensuring it remains at the forefront of new skills developments.

The Australian Government is providing \$13.9 million over four years to establish two new undergraduate courses in veterinary science and tropical agriculture at James Cook University.

The University will receive 50 new undergraduate places for the veterinary science course and a further 50 new places for the tropical agriculture course. These 100 new places will be allocated in 2006 and increase to 274 places by 2009.

The initiative will graduate veterinarians specialising in tropical animal diseases and the prevention of livestock diseases. It will also result in skilled tropical plant experts who are able to stimulate research in sugar production.

The Australian Government recognises that better infrastructure is the key to maintaining excellence in higher education. The University of Western Sydney will receive \$25 million over three years to boost teaching infrastructure for students at their campuses.

This initiative will improve the University's teaching and research capacity through funding for a new library at Penrith, upgraded research and teaching infrastructure at Hawkesbury, a medical training facility at Campbelltown and a new teaching building at Parramatta.

The Australian Government's commitment to the higher education sector is ongoing. Recent new investments include:

- additional funding of \$16.5 million for the Institute of Advanced studies at the Australian National University;

- \$15.5 million for infrastructure and new places in teaching, nursing and medicine over four years at the University of Notre Dame Australia's new Sydney campus;
- \$12 million towards the infrastructure costs of a new veterinary science school (to house the new veterinary science students) at James Cook University;
- \$10 million towards the capital cost of a new medical school at the University of Wollongong;
- \$5.9 million for 100 new undergraduate places in radiation therapy by 2009;
- \$3.3 million over four years for 40 new aged care nursing places, bringing the total number of commencing aged care nursing places this year to 440; and
- \$2 million for an upgrade of communications and information technology systems at Charles Darwin University.

Funding will be provided for almost 39,000 new Commonwealth supported student places over the next five years from 2005 to 2009, as well as more funding for each Commonwealth supported student, linked to improvements in how universities are managed. This brings the total number of fully-funded Commonwealth supported places to around 409,000 in 2005 - an increase of over 12,000 fully-funded places compared to last year.

The Australian Government will also provide more than \$2 billion each year in discounts and income-contingent loans to help students pay their fees.

Approximately \$427 million will be committed over five years to 2009 through the Commonwealth Learning Scholarships programme to assist disadvantaged students meet the costs of higher education. Between 2005 and 2009, around 43,000 scholarships will have been allocated to students in need.

SCIENCE AND INNOVATION

Australia must continue to build a world-class innovation system. This agenda depends on effective partnerships between governments at all levels, researchers and business, to share the substantial financial investment necessary to ensure that ideas move smoothly from generation to end use.

Australia's economy and population are relatively small by world standards, with comparatively limited resources. Our publicly-funded science and innovation investments must therefore be well-directed and provide excellent value-for-money.

The Howard Government is committed to ensuring taxpayers' investment in research produces results that are of world standard and which contribute to addressing the economic, social and environmental challenges that Australia faces.

The Australian Government is moving forward with major initiatives, including the Research Quality Framework, the National Collaborative Research Infrastructure Strategy and implementation of National Research Priorities to ensure Australia builds a system based on excellence and with clear focus.

WHAT THIS BUDGET WILL PROVIDE:

The Australian Government will commit \$5.5 billion in support of science and innovation in the 2005-06 Budget. This includes significant contributions from the Government's \$8.3 billion 10-year Backing Australia's Ability initiatives announced in the 2001-02 and 2004-05 Budgets.

This investment continues to demonstrate the significant commitment by the Australian Government to science and innovation.

The Howard Government remains acutely aware of the importance of R&D and innovation in enabling key sectors of the Australian economy to maintain competitive advantage in an increasingly globalised environment.

More broadly, the Australian Government fully recognises that our scientists and researchers are addressing big-picture issues of our time. Successfully dealing with issues such as population ageing, land degradation and climate change, just to name a few, which are vital to Australia's prosperity.

If we are to tackle these issues successfully, Australia must continue to build a world-class innovation system. This is an ambitious agenda and it depends on effective partnerships between all levels of government, researchers and business which will share the substantial financial investment and provide the support necessary to ensure that ideas move from generation to end use.

In the Howard Government's tenth Budget, university research will benefit from an increase in the Government funding administered by the Australian Research Council.

This funding rose from \$481 million in 2004-05 to \$556.5 million in 2005-06. Including performance-based block funding through the Higher Education Support Act, the Australian Government's support for university research and research training in

the 2005-06 Budget will amount to \$1.8 billion, up from \$1.7 billion in 2004-05.

Promoting an environmentally sustainable Australia is one of the four National Research Priorities announced by the Prime Minister in 2002. Funding for environmental R&D and innovation programmes, administered by the Environment and Heritage portfolio, has increased by 18.7% from \$154.7 million in 2004-05 to \$183.7 million in 2005-06. The increased support for environmental research and innovation programmes is recognition of Australia's need to strengthen local expertise and to participate actively in the global push to develop environmentally sustainable technologies.

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) will invest \$68.5 million in new facilities over the period 2005-06 to 2007-08.

The investment programme will encompass:

- Relocation of CSIRO Atmospheric Research and CSIRO Manufacturing and Infrastructure Technology to CSIRO's major Victorian site at Clayton;
- Construction of a new Bioscience Laboratory building at CSIRO entomology in Canberra; and
- Expansion of CSIRO Minerals facilities at Waterford in Perth.

These capital investments will assist in building critical mass in CSIRO research programmes and developing its research capabilities, further strengthening Australia's pre-eminent scientific research institution.

The Howard Government believes that education, science and training now, more than at any other time, are crucial to Australia's future and that is why this Budget commits \$89.6 billion over the next four years to the Education, Science and Training Portfolio.

