



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

**STATES GRANTS (PRIMARY AND
SECONDARY EDUCATION ASSISTANCE)
AMENDMENT BILL (NO. 2) 2002**

Second Reading

SPEECH

Wednesday, 18 September 2002

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner	Responder
Speaker Entsch, Warren, MP	Question No.

Mr ENTSCHE (Leichhardt—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (5.47 pm)—First of all, I would like to thank all honourable members who have contributed to this debate on the States Grants (Primary and Secondary Education Assistance) Amendment Bill (No. 2) 2002. This bill amends the States Grants (Primary And Secondary Education Assistance) Act 2000 to provide capital grant funding amounts for government and non-government schools for the years 2005-07. Specifically, the bill amends schedule 3 and schedule 5 to the act to insert maximum capital grant funding amounts for government and non-government schools for the calendar years 2005, 2006 and 2007. Schedules 3 and 5 to the act set out funding amounts for the capital grants program for government and non-government schools respectively for the period 2001-04.

Schedules to the act setting out capital funding allocations include a specific note stating that funding allocations for later years will be added by an amending act. The act and previous acts make specific provision for capital funding allocations beyond the normal four years of the quadrennium due to the size and complexity of school capital projects, which often require long lead times for planning, assessment and construction. School capital projects are regularly funded across several years. As there are substantial development costs associated with capital projects, a guarantee of funding is often sought well in advance of the actual construction.

By longstanding arrangement, the state education departments and non-government block grants authority, which administer the programs, are able to recommend funding allocations for projects up to three years in advance of the current calendar year. This enables funding of major projects which require long lead times to be secured at an early stage and payments for large projects to be staged over a number of years. For example, \$18 million worth of projects were approved for funding in 2004 as part of the non-government school funding round conducted in 2001.

This bill is not about shifting funding between sectors; it is about giving certainty in Commonwealth funding to all schools as they undertake planning and construction of major projects designed to provide essential educational opportunities to schoolchildren. There have been various misleading claims made, inferring that the coalition is shifting funding away from the government sector to the non-government sector. Indeed, the Commonwealth is increasing its funding to government schools at a faster rate than the states, which have the constitutional responsibility for government schools.

In the last federal budget, the government announced that school funding would be increased by 5.6 per cent compared with an average increase on the part of the states of only 2.7 per cent. The opposition is confusing the issue of need in this debate. The government reformed the general recurrent grants program by addressing the anomalies of the former ERI arrangements and moving to the SES funding model that is based on the relative needs of the school community it serves. Capital grants are also provided on the basis of relative need.

Non-government capital works projects are normally approved in October; schools often undertake building works during the long recess over Christmas to avoid danger and disruption to students. If passage of the bill is delayed beyond October, any urgent projects with 2005 funding that are preparing to let tenders, sign contracts and commence construction during the end of year school recess will be unnecessarily delayed, and some projects may need to be rescheduled.

In response to the amendment to the bill proposed by the member for Jagajaga, I indicate that the government does not support the amendment, and I would like to make the following points. Capital funding for government schools has been maintained in real terms and increased in actual dollars at a time when government school enrolments are falling. The principal responsibility for maintaining the fabric of the Australian school system rests with the state and territory governments. While the Commonwealth has maintained its expenditure in this area, the same cannot be said for many of the state governments.

The member for Jagajaga also fails to take stock of the fact that, as a result of the introduction of the new tax system, states and territories have access to a significant new source of funding through GST revenues. These

revenues are expected to rise from \$24.4 billion in 2000-01 to \$32.6 billion in 2004-05, an increase of 33.6 per cent. I agree that it is imperative that the capital needs of the schools in disadvantaged and isolated areas, including Indigenous schools, receive priority attention. The Commonwealth program is targeted specifically at these schools. The Commonwealth expects the states to honour their agreements with the Commonwealth and allocate the substantial funding the Commonwealth provides in these areas of need. I acknowledge that the accountability and evaluation processes established for the program by the Labor government were certainly inadequate. This government has tightened accountability requirements and will continue to do so while states such as South Australia contravene their agreements with the Commonwealth and their school communities.

I would also like to correct an allegation made by the opposition. Capital funding for the non-government sector will not decrease by \$10 million in 2003, as claimed by the member for Jagajaga. The coalition introduced a three-year, \$10 million per annum increase to non-government capital funding in 1997 to honour its 1996 election commitment. This increased level of funding was subsequently extended in the 1999-2000 budget for a further three years, to end in 2003. No decision has been taken to terminate this additional funding and provision for its continuation in 2004 and beyond is included in the forward estimates.

In summary, there is a compelling argument that the bill should be agreed to by the parliament without amendment. This is particularly so as to avoid any unnecessary delay or disruption for those schools waiting on funding approvals to commence important building works. Unless and until the bill is passed, capital projects recommended by state and non-government block grant authorities, which include a 2005 allocation of Commonwealth funding, cannot be approved and projects cannot proceed until approval is confirmed. If the opposition wants to demonstrate that it supports schools and the quality of their education provision, it should support the bill.

The DEPUTY SPEAKER (Mr Mossfield)—The original question was that this bill be now read a second time. To this the Deputy Leader of the Opposition has moved as an amendment that all words after 'That' be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand as part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that the bill be reported to the House without amendment.