

COMMONWEALTH OF AUSTRALIA

SPEECH

BY

The Rt Hon. W. McMAHON, M.P.
Prime Minister

ON

**Additional Assistance for Government and
Independent Schools**
Ministerial Statement

[From the 'Parliamentary Debates', 9 December 1971]

Mr McMAHON (Lowe—Prime Minister)—by leave—I wish to inform the House of decisions the Government has taken to provide additional assistance to both government and independent schools in areas of special need. Decisions taken in association with Commonwealth and State conferences over the last 18 months or so have resulted in a significant increase in the level and rate of growth of general revenue assistance from the Commonwealth to the States. The current expenditure on primary and secondary education in State schools has benefited significantly from these arrangements and the Government is convinced that additional assistance in that area would not be justified. However, the States have not been able to allocate as much as they would have liked from their available capital funds for primary and secondary school buildings. They speak of problems including the provision of additional classrooms and associated facilities and the replacement of outmoded and cramped accommodation.

We have decided that it would be desirable to assist the States to increase their capital expenditure in respect of primary and secondary schools. We have given very careful thought to the form in which we should provide this assistance and we have decided that the best approach would be

to provide this assistance by way of additions to the interest-free capital grants which the Commonwealth is making to the States as part of their annual works and housing programmes, and as a substitute for loan raisings. These capital grants are being paid for the purpose of assisting the States to finance non-productive capital works, without incurring debt charges on the funds used. However, as these grants are being made in recognition of the need expressed by the States for additional expenditure in primary and secondary schools, we would expect them to be so used by the States. We would prefer that science laboratories and libraries in secondary schools, for which there are existing special purpose grants, be excluded from these grants.

The additional grants will also be paid entirely without any matching conditions attached to them. I should add that the Commonwealth expects that the States will continue with their own planned levels of expenditure in this area so that these grants will represent a net addition to the facilities in government schools. The amount of the additional grants will be \$20m of which part will be paid in the remainder of this financial year and part in 1972-73. They will be distributed between the States in proportion to the capital grants presently being received

by them, which in turn are distributed in the same way as the States' Loan Council borrowing programmes for works and housing. The additional grants will be amalgamated into the basic capital grants for the purpose of determining the proportion of the works and housing programme that the grants will represent in future years. The amount that each State will receive on the basis indicated is as follows: New South Wales, \$6.36m; Victoria, \$5.10m; Queensland, \$2.53m; South Australia, \$2.74m; Western Australia, \$1.87m; and Tasmania, \$1.40m—a total of \$20m. I have written to the Premiers inviting them to agree to accept these grants on the basis I have outlined.

Since 1969 running costs of government schools have risen by at least 30 per cent to 40 per cent and even more in some cases and it is now costing over \$300 a year to educate a child in a government primary school and over \$500 a year to educate a child in a government secondary school. The general financial assistance grants from the Commonwealth represent about one half of the State's current Budget expenditure and on this basis it can be said that the Commonwealth is supporting approximately one half of the increased expenditure by the States on primary and secondary schools. The independent schools have received additional assistance from the States, but they are facing increasing difficulties in their efforts to provide adequate facilities for a reasonable proportion of the school-going population. Many of the independent schools have been paying their teachers salaries at rates significantly lower than those paid in government schools. However, there is now a number of awards which require these salaries to be increased to full parity with the operative rates in government schools over a short period. This development has resulted in relatively greater increases in costs in the independent schools than in the government schools. The independent schools have limited capacity to charge higher fees and collect other income, and for boarding schools there are additional difficulties arising from the downturn in rural activity. The combination of these factors has resulted in a continued drift in enrolments to government schools.

The need for immediate additional assistance to independent schools in empha-

sised by the following current developments. The Roman Catholic authorities in Melbourne are considering seriously a proposal not to expand secondary schools but to concentrate resources in primary schools. In Tasmania a number of Roman Catholic and other independent schools are faced with the prospect of having to cease operations. The Government hopes that a contraction would not be necessary in either area.

As a further measure of assistance to the independent schools, the Government has decided to increase the rates of the annual per capita grants to both primary and secondary independent schools throughout Australia. These grants were first made available from the beginning of 1970 at annual rates of \$35 per head in primary schools and \$50 per head in secondary schools. These rates will be increased to \$50 per head in primary schools and \$68 per head in secondary schools from the beginning of 1972. These additional per capita grants to independent schools in the States are expected to cost \$9.7m in 1972 of which half, that is \$4,850,000 will be payable during the financial year 1971-72. The amount in each State will be approximately: New South Wales, \$3.58m; Victoria, \$3.14m; Queensland, \$1.46m; South Australia, \$600,000; Western Australia, \$700,000; and Tasmania, \$220,000—a total of \$9.70m.

Independent schools in the Australian Capital Territory and the Northern Territory share in the per capita grants which the Commonwealth makes available to independent schools in the States. They also receive a local component in their per capita grants broadly equivalent to those paid by the State governments to independent schools in the States. In addition to the increases I have already mentioned, the local component in the annual per capita grants to independent schools in the 2 Territories will be increased from the beginning of 1972. The increases will be from \$20 to \$35 per head in primary schools and in secondary schools from \$30 to \$45 in forms 1 and 2, from \$40 to \$45 in forms 3 and 4, and from \$45 to \$50 in forms 5 and 6. The increased grants to independent schools in the Australian Capital Territory and the Northern Territory are expected to cost \$347,000 in 1972 of which \$173,000 will be payable during

the financial year 1971-72. The Government will introduce appropriate legislation covering these measures during the autumn session of the Parliament next year.

My Government will continue to co-operate with the States in measures both direct and indirect to expand and improve education services in government schools. Our policy for the independent schools is that, relying on their own efforts and with assistance from governments, they should be able to continue to provide places at a reasonable standard for that proportion of

the school population which in the past has sought education in non-government schools. The action we are now taking is a further indication of our determination to assist those directly concerned to improve the standards in all types of schools. I present the following paper:

Additional Assistance for government and independent schools—ministerial statement, 9th December 1971.

Motion (by Mr Swartz) proposed:

That the House take note of the paper.