



PRIME MINISTER

TEXT OF TELEGRAM SENT TO ALL PREMIERS

BY THE PRIME MINISTER 3/12/73

My dear Premier,

You will remember that on 30th May last I tabled the report by the Interim Committee for the Australian Schools Commission and that on 12th June I cabled you that my Government had decided to accept the educational programs and financial recommendations of the Committee for 1974 and 1975. Although the consequential legislation was passed by the House of Representatives there is some doubt whether it will be passed by the Senate this year.

Your planning for the amount of funds available during the first quarter of 1974 should at this stage make contingency provision for this situation. The Australian Government understands that your education authorities will have entered into commitments on the basis of our earlier assurances and it is our intention to give you the maximum flexibility to honour those commitments during the first quarter of next year. There might however be no statutory authority for the amounts promised for recurrent grants to state schools, for disadvantaged schools, for special education, for primary school libraries and for our joint programs of librarian training, of special education teacher training, of teacher development and of special projects. There might be no extra amounts available for your general capital program or for secondary school libraries unless you can find flexibility within the existing legislation providing grants for science laboratories, secondary libraries and capital expenditure. The secondary libraries and science laboratories programs are limited by statute to their specific purposes and the capital grants are required by statute to apply 70% of the aggregate of payments to facilities in addition to and not in replacement of existing facilities at Government schools. These statutes provide for maximum expenditure during the 1973/74 financial year for general capital works and science laboratories and during calendar year 1974 for libraries. In order to give your planning the maximum flexibility, we would be willing to accelerate in the first quarter the total amount of payments which would otherwise be made under these statutes during 1974. Furthermore we would be willing to release your Government from its obligation, which is not specifically provided for in the statutes to use these funds in addition to state funds, i.e. you could use the maximum available in this quarter under the three specific statutes currently in force and divert your own expenditures on such projects to other expenditure.

On a strict calculation, the maximum accelerated amount we could grant for Government schools in the first quarter of 1974 under existing statutes would be New South Wales \$14.3m, Victoria \$13.7m, Queensland \$4.5m, South Australia \$0.8m, Western Australia \$3.5m, Tasmania \$1.2m, Total - \$38.0m. This would compare on the basis of a calculation of one eighth, i.e. the first quarter of our proposed two year program, with the following amounts : New South Wales \$22m, Victoria \$18m, Queensland \$8.2m, South Australia \$6.5m, Western Australia \$4.5m, Tasmania \$1.8m. Total: \$61.0m. I realise that the alternative we are considering represents a crisis for your education system. Under the circumstances I feel it is necessary to advise you of our present thinking so that you can at least begin planning for the contingency I have mentioned.

SGN. E.G. WHITLAM

3 DECEMBER 1973

CANBERRA. A.C.T.