

**EDUCATION AMENDMENT (NON-GOVERNMENT SCHOOL FUNDING) BILL  
2013**

Page: 37

**Bill introduced on motion by Mr Adrian Piccoli, read a first time and printed.****Second Reading****Mr ADRIAN PICCOLI** (Murrumbidgee—Minister for Education) [4.20 p.m.]: I move:  
That this bill be now read a second time.

I seek agreement in principle to the Government's amendments to the Education Act 1990. These amendments will allow important improvements to the way we fund non-government schools in this State. I am proud, as are all members, that the New South Wales Government was the first State to sign up to the National Education Reform Agreement, which enacted the Gonski school funding reforms. It demonstrates the high priority the New South Wales Government places on education and the future of our children. At the heart of these reforms is the commitment that every child should have access to the best-possible education, regardless of where they live, the income of their family, or the school they attend. It is this principle of funding students according to their needs that sits at the heart of the National Education Reform Agreement, signed in April this year.

Our agreement with the Commonwealth will introduce an additional \$5 billion in investment, with an estimated \$790 million going to non-government schools. Importantly, our agreement contains a set of educational reforms to ensure that every dollar is directed towards improving education for our students. The reforms set out a fair way of distributing resources across the school sectors based on student need. The Government is changing the way that schools in this State are funded in order to be more responsive to student need. Over time, our funding mechanisms for both government and non-government schools will move to be consistent with the Schooling Resource Standard. This model provides for a single, consistent resource standard against which need is assessed for government and non-government schools. It is designed to be more objective, more effective and fairer.

The Government's drive to improve needs-based funding and our commitments under the agreement with the Commonwealth mean that changes are needed in the way that non-government schools are funded by New South Wales. The new arrangements will be introduced progressively from 2014 so that non-government schools have funding stability. The amendments will allow for new ways for the New South Wales Government to fund non-government schools that better respond to need. New section 21 (1) maintains the ability of the Government to fund non-government schools. The longstanding commitment by the State to fund non-government schools will continue. The State provides assistance for recurrent needs that is generally paid on a per student basis and for capital works. New subsection (2) provides a legislative guarantee that the State will meet its obligations under national agreements. This amendment to the Act will enable the Government to carry out our commitments through the National Education Reform Agreement for funding non-government schools and systems.

In providing certainty to non-government schools, a provision is included that ensures they are not disadvantaged should the overarching national agreement come to an end. New subsection (3) provides that should the relevant national agreement cease, the State will

maintain the level of financial assistance that applied at this time and may increase that amount, taking account of the costs of schooling. The relevant agreement is defined in new subsection (9) as the National Education Reform Agreement or any subsequent replacement agreement. This principal agreement with the Commonwealth delivers the bulk of funding to non-government schools. New subsection (4) provides that the assistance to non-government schools can have regard to the needs of different schools. This enables the Government to accurately target students and schools that have higher levels of need. This includes schools with a high number of students from a disadvantaged background or in remote areas. New subsection (5) provides that the costs of administration are also included under the allocation of financial assistance.

The State invests around \$1 billion per annum in non-government schools, so it is important that this funding is well administered and accountability to the public is as strong as possible. As with existing arrangements, new subsection (6) outlines that funding can be paid to individual schools or through systems such as the Catholic system. As with the current Act, new subsection (7) ensures that these provisions are subject to parliamentary appropriations. New subsection (8) indicates that the operation of this section will be reviewed in 2017. In making these improvements to the Act, some current provisions are superseded. The current requirement that per capita grants to non-government schools are tied to the average cost of educating government schoolchildren will be removed from the Act. This provision is not consistent with an enhanced, needs-based funding model. Per capita funding to non-government schools will continue but, over time, it will be provided according to an improved needs-based funding mechanism. The certainty of funding that the flow-on provided will in future be guaranteed by new subsections (2) and (3).

The Act will maintain the requirement that non-government schools not operate for profit. These rules under existing section 21A will be maintained for all forms of State funding, whether or not provided as the result of a national agreement. I thank the Association of Independent Schools and the Catholic Education Commission. We have consulted with them through the development of the National Education Reform Agreement as well as through the development of this legislation. In a letter to my office Brian Croke from the Catholic Education Commission stated that the final version that had been seen by the Catholic Education Commission covered its three main points:

- (1) preserving the dollar value of grants over time;
- (2) providing a secure method for ongoing funding if the current Commonwealth-State agreement runs aground at any point;
- (3) allows for a review in 2017, the last year of guaranteed funding under the new model at this stage.

In a letter dated 28 October, Geoff Newcombe, Executive Director of the Independent Schools Association of NSW, stated:

Thank you for the opportunity to provide input into the proposed amendments to the Education Act with regard to funding to independent schools.

I wish to advise that the Association of Independent Schools of NSW supports these amendments to the Act.

Please pass on my thanks to the Premier also for the opportunity to be consulted on this very important amendment.

There has been much consultation around these important reforms. I am proud to be the Minister for Education in a Government that was the first to sign up to the Gonski reforms. Recent announcements acknowledge funding for government schools but of course there is also additional funding for non-government schools. I commend the bill to the House.

**Debate adjourned on motion by Ms Carmel Tebbutt and set down as an order of the day for a future day.**