



## Full Day Hansard Transcript (Legislative Council, 13 November 2013, Proof)

### Proof

Extract from NSW Legislative Council Hansard and Papers Wednesday, 13 November 2013 (Proof).

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

#### Second Reading

**The Hon. JOHN AJAKA** (Minister for Ageing, Minister for Disability Services, and Minister for the Illawarra) [5.32 p.m.]: I move:

That this bill be now read a second time.

I seek leave to incorporate my second reading speech in *Hansard*.

**Leave granted.**

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

The Government's amendments to the Education Act 1990 will allow important improvements to the way we fund non-government schools in this State.

#### Importance of targeting need

This Government strongly supports the principle of school funding being directed according to need.

We know that, despite the many successes of our schools, there are still persistent gaps in students' educational outcomes.

These gaps are strongly associated with socioeconomic disadvantage, Aboriginality and remoteness from metropolitan centres.

In order to close the gaps in educational outcomes, funding must be targeted to the areas of highest need, so that we make available funds as effective as possible.

This principle of funding according to need is an important part of our national agreement.

#### National Education Reform Agreement

I am very proud that the New South Wales Government was the first Australian jurisdiction 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 our children's future.

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 funding reforms will bring both an improved distribution of funds and an increase in investment.

Our agreement with the Commonwealth will bring 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.

And they set out a fair way of distributing resources across the school sectors, based on student need.

So we are 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 is a model that provides for a single, consistent resource standard against which need is assessed, for both 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 our 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.

#### **Detail of the amendments**

The amendments will allow for new ways for the New South Wales Government to fund non-government schools—ways that better respond to need.

Subsection (1) of new section 21 maintains the ability of the Government to fund non-government schools. There is a longstanding commitment by the State to fund non-government schools and this will continue.

The State provides assistance both for "recurrent" needs—that is generally paid on a "per student" basis - and for capital works.

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 we are also including a provision that ensures they are not disadvantaged should our overarching national agreement come to an end.

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 subsection (9) as the National Education Reform Agreement or any subsequent replacement agreement, this being our principal agreement with the Commonwealth, which delivers the bulk of funding to non-government schools.

This provides a guarantee to non-government schools that the State will not walk away should our national agreement cease.

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.

In subsection (5) the bill 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 it can be.

As with existing arrangements, subsection (6) outlines that funding can be paid to individual schools or through systems such as the Catholic system.

Subsection (7) provides that, as with the current Act, these provisions are subject to parliamentary appropriations.

Subsection (8) indicates that the operation of this section will be reviewed in 2017.

In making these improvements to the Act, some current provisions become superseded.

The current requirement that per capita grants to non-government schools are tied to the average cost of educating government school children 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, they 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 subsections (2) and (3).

The Act will maintain the requirement that non-government schools not operate for profit. These rules under the existing section 21A will be maintained for all forms of State funding, whether provided as the result of a national agreement or not.

#### **Commitment to non-government schools**

The Government believes that non-government schools are integral to the education of students in this State.

We champion the right of parents to choose schools for their children, and these amendments demonstrate that we remain committed to supporting this right through continued funding.

The national reforms that we have agreed to will benefit all schools and all students in this State, including those in non-government schools.

#### **Transition to the new arrangements**

New South Wales Government funding for non-government schools will transition to be more consistent with the Schooling Resource Standard over time.

For 2014 the majority of funding will continue to be provided to non-government schools according to the current Education Resource Index mechanism.

Existing programs such as the supervisor subsidy program for students with a disability will also continue.

Capital assistance through the Building Grants Assistance Scheme and Interest Subsidy Scheme will also continue.

Additional funding to the non-government sector due to the National Education Reform Agreement will be provided consistent with the Commonwealth's Schooling Resource Standard.

#### **Importance of improving educational performance**

We know that in the twenty-first century it will be more important than ever to have a highly skilled workforce so that we remain economically competitive, especially against the growing economies of the developing world.

This is why the State's 10-year plan, NSW 2021, contains ambitious goals for improving education.

Investing in education and training is one of the most effective ways of boosting the productivity and prosperity of our State and improving the life chances of individuals.

For most of us, our education is central to our lives.

Its importance to us, as individuals and as a society, is such that we cannot just be complacent with the success we already enjoy.

Rather, we must continually strive for improvements.

A funding system that is more responsive to student need is the base from which a strong education system develops.

It enables all the other crucial aspects of the system, such as good teachers, strong leaders, responsive teaching methods, and proper care for our students.

That is why these amendments to the Education Act are so important.

I commend the amendments to the House.