



Speech by

**Hon. D. WELLS**

**MEMBER FOR MURRUMBA**

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Hansard 22 August 2000

### **MINISTERIAL STATEMENT**

#### **States Grants Legislation**

**Hon. D. M. WELLS** (Murrumba—ALP) (Minister for Education) (10.06 a.m.), by leave: Our Federal colleague the Honourable Dr David Kemp has recently introduced the Federal Liberal/National Government's States Grants (Primary and Secondary Education Assistance) Bill 2000 into the Commonwealth Parliament. This Bill will adversely impact on Queensland.

The current States grants legislation emphasises the importance of collaboration between the Commonwealth and State and Territory Governments for accountability purposes. By contrast, this Bill gives the Commonwealth Minister the power to direct the State to fulfil such conditions as the Commonwealth Minister sees fit. If the conditions are not met, the Commonwealth Minister may order the State to repay an amount, reduce any other amount of financial assistance for the State under the Act or delay making any further payments to the State under the Act until the State does what it was told.

The Queensland Government supports the appropriate use of performance measures. Performance measures should be used to benchmark performance and as a diagnostic tool to analyse performance. But there are some cases where good performance should be rewarded and other cases where not meeting standards proves that you need more money, not less. This Bill just gives the power to the Commonwealth Minister to hold the States to ransom.

The Bill significantly upsets the balance of funding available for school education in favour of non-State schools. The Bill provides significant additional and welcome funding for the non-State sector. However, it does not provide proportional funding for the State sector. The 2000-01 Commonwealth Budget Forward Estimates predict that annual funding for non-State schools will increase to \$3.4 billion in 2002-03. This represents an increase of 41.7%, rising to 53.5% in 2003-04. Similar figures for State school expenditure, however, show an increase in expenditure to \$1.5 billion in 2002-03. This represents an increase of only 36.3% from a much lower base and to be spread across more than double the number of students.

In a letter to all State schools in Australia, the Commonwealth Minister showed that Commonwealth funding for State schools will increase between 1999 and 2004 to \$2.27 billion—an increase of only 22%. As a result, the Bill will have a significant impact on the relativity of funding between State and non-State schools. The effect of these policies is that the gap between what is spent on the education of each student in non-Government schools and Government schools will grow. If the real cost of schooling for non-Government schools is to be funded by the Commonwealth, then in the national interest it should do the same for State schools. Dr Kemp's approach will seriously affect the future life chances of students from families who choose education through State schools if we allow it to. In Queensland, we prefer an approach that gives all students wherever they go to school the chance to succeed. The Bill could also allow the Commonwealth Minister to provide funding to non-State schools where those schools may not have been approved to receive funding under Queensland arrangements.

In conclusion, the Bill changes the relationship from one of spirited cooperation between the Commonwealth and the States to one of active intrusion by the Commonwealth into an area of State responsibility.