

Chapter 1

Schools funding: a historical and political context

1.1 Fundamental to the issue of schools funding policy is the question of the obligation of the government in the provision of schools, and the social purposes of the school system. The Schools Assistance Bill 2004, and the principles that apparently underlie it, reflect a specific ideological approach to this question – one that has typified the stance of the Government over the past seven years. In that time there has been a departure from the long-accepted role of the Commonwealth in supporting states and territories to provide both public and private schooling of the highest quality.¹ The departure of the Commonwealth from its proper role is manifested in the move from a needs based funding model which ensured an agreed acceptable funding standard for schools to one which appears aimed at encouraging even more segmentation in the school sector: the very antithesis of what a national school program should be aiming at.

1.2 The principles which underlie current policy are based on the idea that schooling (and education more broadly) is essentially a commodity that is purchased by individual families, whose 'choice' of schooling government should encourage and facilitate. Such a view is, naturally, hotly contested in the community at large as well as within academic and policy debate. The outcome of the imposition of these individualistic, market-oriented policies has been a rapid increase in inequality in the outcomes of schooling. An OECD study² in 2000 identified Australia as having an excessively segmented school system, reflecting high levels of social inequality. In contrast, countries to which Australia is usually compared achieved equal or better educational outcomes at the top, and showed a much more narrow gap between the highest and lowest levels of achievement. This is relevant to funding, and to the structure of the Australian school system: other comparable countries, generally speaking, can claim to have systems that are more 'national' and more comprehensive, with less marked division between the top and the bottom of the socio-economic scale in terms of schooling outcomes.

1.3 It is inevitable that the committee's consideration of its terms of reference has led it along well-worn paths in the schools funding debate. An examination of key issues raised at hearings and in submissions has raised familiar arguments and uncovered the fossilized remains of the old 'state aid' controversy. The inquiry of necessity covered much of the ground examined only four years ago, in 2000, in consideration of the legislation that introduced the new funding model for non-

1 Submission No.73, Government of South Australia, p.3

2 OECD Program for International Student Assessment which measured the performance of 15 year-olds in reading, mathematics and scientific literacy – referred to in Submission No. 34, Barbara Preston, p.8.

government school funding – the States Grants (Primary and Secondary Education Assistance) Bill 2000. It is fair to observe that little of the evidence has explicitly placed arguments in an historical context. This may reflect a reluctance to confront the reality that a political compact which many claim to have been made over 30 years ago is increasingly in tatters and that the policy expedients of successive governments over that period of time for the purposes of funding schools are no longer capable of holding a coherent policy structure together. While a pragmatic political settlement, based on genuine community consensus, was achieved many years ago, like many such policy solutions the continuing soundness of the Karmel settlement was completely dependent on political will to maintain that consensus within the community by ensuring a fair, even-handed approach that transparently responded to the proven needs of schools and school systems. The current Government's abandonment of such a commitment has allowed political schisms to open up. Some of the elements which dominated the debate in the 1960s and 1970s, such as sectarianism, have disappeared through effluxion of time, but new developments such as the decline in levels of political and public support for public education, have proven to be just as divisive. Now, as then, the key conflicting issues of equity and entitlement have yet to be reconciled. That remains the main policy challenge in schools funding.

Observations from history

1.4 It is forty years since the first tentative legislative step was made to provide Commonwealth financial assistance to schools.³ The landmark *States Grants (Science Laboratories and Technical Training) Act 1964* appropriated just under 5 million pounds in capital grants to schools. In 1964 the proportion of school students attending non-government schools was under 24 per cent. The non-government school sector mostly comprised Catholic schools (83 per cent), and most of these were run autonomously by religious orders or were parish schools staffed for the most part by religious congregations, the largest of which ran scores of schools in dioceses across the country.

1.5 Operating as fairly exclusive and sometimes elite institutions were a relatively small handful of well established independent schools, mostly affiliated with the various Protestant denominations, some with distinguished academic reputations and in possession of a certain social cachet. These were generally schools for the wealthy, and for families which had a tradition of attending particular schools through successive generations. Even so, they provided a service for many rural families, as did Catholic boarding schools. Apart from state government bursaries paid to a small percentage of students, no government funding found its way into any non-government school.

3 Leaving aside Commonwealth interest loan payments for non-government schools in the ACT which commenced in 1956. This provision was associated with the development of Canberra and the transfer of public servants from Melbourne.

1.6 One result of the absence of government funding of schools which had for the previous 80 or more years educated the broad spectrum of the Catholic community was that by the mid 1960s, with the demands of the post war baby boom having their effects, Catholic schools were facing collapse. A steep decline in numbers joining religious orders was creating a staffing crisis in Catholic schools, which educated a significant proportion of the lower middle and working class. This crisis effectively precipitated the 'state aid' debate.

School Enrolments by Type of School, 1953-2003⁴

Year	Govt		Catholic		Other Non-Govt		Total Non-Govt		All Students
	('000)	%	('000)	%	('000)	%	('000)	%	
1953	1,206	76.7	286	18.2	80	5.1	366	23.3	1,572
1963	1,752	76.1	451	19.6	98	4.3	549	23.9	2,301
1964	1,797	76.1	463	19.6	102	4.3	565	23.9	2,362
1969	2,111	77.8	490	18.1	112	4.1	602	22.2	2,712
1974	2,253	78.4	494	17.2	124	4.3	618	21.5	2,872
1979	2,332	78.2	513	17.2	138	4.6	651	21.8	2,983
1984	2,261	74.9	567	18.8	190	6.3	757	25.1	3,018
1989	2,194	72.4	594	19.6	243	8.0	837	27.6	3,031
1994	2,215	71.5	602	19.4	282	9.1	884	28.5	3,099
1999	2,248	69.7	636	19.7	343	10.6	979	30.3	3,227
2003	2,255	67.9	661	19.9	403	12.1	1,064	32.1	3,319

1.7 The political debate of the 1960s about school funding needs no recounting in this report. The needs of Catholic schools were addressed at that time in a piecemeal fashion, but it was not possible to do even this without consideration of the needs of all schools. The States Grants (Technical Colleges and Science Laboratories) Bill 1964 appropriated for the non-government sector only about 12 per cent of the total funds, probably as an acknowledgement of some residual sectarianism in the

4 Year Book of the Commonwealth of Australia 1956
G.Burke and A.Spaul, 'Australian Schools: participation/funding 1901-2000', *Year Book Australia 2001*; Australian Bureau of Statistics, *Schools Australia 2003*, ABS Cat. No. 4221.0

community. Commonwealth assistance to schools expended rapidly in the late 1960s. In 1968 grants for school libraries commenced in parallel with continuing science laboratory grants, and per capita grants were introduced in 1969, at first for non-government schools, and from 1972 to public schools as well.⁵

1.8 The Whitlam government, which had debated school funding with some intensity before 1972, took a more systematic approach. Its policy was to submerge the issue of grants to non-government schools within the broader policy of addressing the needs of all schools, regardless of their governance, provided that they were in genuine need of assistance. This would address the emerging problem of asset-rich high-fee schools taking a share of government largess which they had not claimed prior to the Gorton initiatives of the sixties. The Whitlam government's acceptance of the recommendations of the Karmel report in 1973 resulted in legislation to establish the Schools Commission. This agency, at arms length from direct ministerial direction, would run a systematic program of Commonwealth grants to both government and non-government schools. The expenditure program recommended by the interim Schools Commission, and contained in the States Grants (Schools) Bill 1973, was debated in the parliament at the same time. It provided for expenditure of \$694 million in 1974 and 1975. The needs and equity criterion applied by the interim Schools Commission failed in its first test, as the Senate forced amendments to the bill which provided continued funding for category A schools, originally classified by the bill as asset rich and therefore ineligible for funding.

1.9 The Karmel report is regarded as the most influential of all Australian reports on school education. Even its critics commended the Karmel committee for its view that issues of educational quality and standards should shape the financial arrangements designed to implement the transformation of the school sector.⁶ As noted above, however, the Schools Commission, as designed by Karmel, was thwarted in its preferred funding mechanism by a Senate hostile to its 'needs first' funding philosophy. Marginson points out that, even with the graduated scales of financial assistance calculated on the basis of need, the funding that was available had different outcomes in different schools. The additional money assisted government schools, but it ensured the survival of the Catholic schools, and helped the elite private schools to flourish. This was a powerful counter-model to the strategy of equality of opportunity. Karmel 'normalised' the socially selective schools, strengthened their competitive position, and confirmed their elite status.⁷

1.10 The 'Karmel compact' served to take the heat out of the school funding issue. Over the years 1967-1983, however, the Fraser Government oversaw an incremental change in policy, implemented through guidelines issued to the Schools Commission,

5 Marginson, Simon, *Educating Australia: government, economy and citizen since 1960*, CUP 1997, p.51

6 Crittenden, Brian, 'Arguments and Assumptions of the Karmel report: A Critique', in *The Renewal of Australian Schools*, J V D'Cruz and P J Sheehan (eds), 1975, p.3

7 Marginson, op.cit, p.56

which provided a considerable increase in the proportion of Commonwealth funds directed to non-government schools, albeit confined to some extent within a 'needs-based' rhetoric. This trend in fact reversed the intention of the original Karmel recommendations which had anticipated a cessation of grants to the most asset rich schools. Between 1976 and 1983 the maximum per capita grant to non-government schools increased by 66.3 per cent for primary schools and by 65.9 per cent for secondary schools. Minimum grants, received by a few affluent schools increased by just over 160 per cent for secondary schools. Marginson makes the point that over this time a layer of poor Catholic schools remained 'whose continuing poverty was used to underwrite the political position of the whole private sector'⁸. The sub-committee notes that this political strategy is one which, in modified form, continues today.

1.11 Marginson also identifies a significant policy change over that period in regard to the opening of new non-government schools. In 1981-82, for the first time, grants to non-government schools exceeded grants to public schools, at a time when general purpose grants to the states had fallen nearly 2 per cent in real terms. The committee makes the point that the policies of the current government are following in grooves which were well carved out nearly twenty years previously. In 1976-82 recurrent grants to private schools increased by 87 per cent in real terms while grants to public schools fell by 24 per cent in real terms⁹. It is noteworthy that this trend has been followed by the current government, which has also seen grants to non-government schools in 1996-2004 increase at twice the rate of public schools. In the 2005-08 quadrennium this funding trend will be confirmed.

1.12 It should also be noted that, during the tenure of the current Commonwealth Government, the majority of the increase in funding to private schools, above and beyond normal inflation measures, is due to the application of the AGSRC as an indexation mechanism. As many witnesses observed, this index is running at the moment at six to seven per cent. It reflects the increases in overall expenditure on government school systems provided by state governments and, as such, is pitched well above ordinary cost increase measures such as the consumer price index. When introduced by the Keating Government, this index stood at little over two per cent. The change in the value of the AGSRC is due in large part to the more generous school funding decisions on the part of state governments in the last several years.

Effects of social change on school funding

1.13 In the past thirty years, important social and economic changes affecting school education have ensured that the issue of Commonwealth assistance to schools has remained a matter of controversy. The Karmel committee was alive to the demographic movement which was putting pressure on school infrastructure at the time, but it could not anticipate that within a short period there would be a decline in the birth rate, together with rising levels of disposable income, along with the advent

8 Marginson, Simon, *Education and Public Policy in Australia*, CUP 1993, p.209

9 *ibid*, p.211

of the two income family; and, an expanding middle class with changing views about the role of education and the kinds of schools families believed would best suit the needs of their children.

1.14 Such trends may not necessarily have encouraged the considerable expansion in enrolments in non-government schools, but the conjunction of conditions and circumstances brought this about. The decline in the birth rate has made private schooling more affordable for families with only or two children. By the 1980s, social factors and perceived deficiencies in public schools led to a noticeable enrolment drift away from them by the so-called 'aspirational class'. It is difficult to obtain reliable information about this trend beyond raw enrolment figures. It has been speculated that in choosing to pay fees for schooling many parents believe they can buy a more favourable educational outcome. They may also believe that, in exercising this 'choice', parents will be better able to influence the kind of schooling their children receive. These assumptions are widely encouraged by non-government schools, and are more influential for being incapable of objective assessment. It is also speculated that many parents believe they are purchasing both a peer group for their children, and fruitful long-term friendships, as well as more committed teachers and better emotional support and pastoral care. Staffing inflexibilities and other bureaucratic characteristics of state education departments are claimed to impede public schools in developing a learning culture which is attractive to the 'aspirational' class. Again, this is speculative territory, where perceptions carry more influence than more reflective judgements about the comparative quality of educational programs or hard facts about local public schools.

1.15 The committee recognises that perceptions about the state of the school system gathered through hearsay comment over talk-back broadcasting and back fence gossip is more politically powerful and influential over time than research undertaken by reputable authorities whom few people have heard of and whose studies may fall on the deaf ears even of public officials. Evidence of some witnesses pointed to an apparently profound social change that has diminished confidence in public education on the part of the middle class. The committee put this observation to the NSW Public Education Council, which verified this perception. As the committee was told:

I do recall a study a few years ago...showing that the parents who educated themselves in the government system and who then got degrees put their own children in the independent system at a disproportionate rate. So I think there is truth in what you are saying. I think that Tony Vinson has expressed the view that for some parents there is a concern that with its necessary emphasis on fairness and equity there may be less academic rigour in the public system. I do not think there is actually any evidence of that but I think that is a perception. I participated in discussions on behalf of a forum run by one of the big television stations and almost every person who spoke there—and it was only a small group of about 50 people—about

their decision to send their children to non-government schools mentioned the lack of resources in government schools.¹⁰

1.16 The committee notes the provocative comments of the Prime Minister earlier this year making the sweeping statement that public schools were deficient in the values they presented, or failed to present, to students in their care. While this carefully calculated comment was met with a broad rebuff from educators and parents from public and private schools alike, it was a comment intended to feed the vaguely held suspicions of an electorate susceptible to negative propaganda about public schooling. There was no specific detail given; simply an added weight to opinion in the land of talkback broadcasting. It is remarkable that such comments received such credibility in an overwhelmingly secular society, and where secular values, as distinct from religious values, are rarely discussed in any abstract way.

Choice, need and entitlement

1.17 The debate over school funding turns on arguments about the validity of claims made by supporters of uncapped overall levels of Commonwealth funding of non-government schools. The policy-making difficulty presented in this debate is that the principles underlying fair, equitable and effective allocation of limited public funding are juxtaposed against funding demands which have little to do with principles of government responsibility to act in the interests of the community as a whole. Instead these claims are based on the absolute rights of individuals, irrespective of their circumstances, to attract government subsidies for schooling. The notion of education as a common good, essential for the prosperity and well-being of the country, and as a process which creates and promotes social cohesion and shared values, is increasingly blurred in the rush toward social fragmentation and the move to push individual advantage at the expense of society overall. Ambition and self-interest have always been motivating instincts in the educational process, but having successfully harnessed or incorporated these instincts, together with other aspirations in a comprehensive school system for a brief period in the 20th century, the committee believes we are in danger of returning to a highly stratified and inequitable system of schools to which there is contested entitlement and in which choice is a matter to be exercised by schools as much as by parents.

The matter of choice

1.18 The current Coalition government has based its school education expenditure on principles of choice and entitlement. There has never been any doubt about the right of parents to choose the education of their children. The issue remains whether the state has a role in supporting this right to choice by funding any and all schools to which parents might wish to send their children. The political consensus, following the debates of the sixties and seventies, was that there is a qualified obligation on governments to facilitate this choice through funding grants. The committee observes

10 Ms Lyndsay Connors, *Hansard*, Sydney, 26 July 2004, p.39

that there remains a question about the limits of choice given that governments have obligations that compete for funding; and that long existing public infrastructure and institutions must be preserved and continually invigorated. It is clear that a policy based on 'choice' alone is unlikely to be sustainable. 'Choice' does not lead to an equitable distribution of preferences or benefits. Taken to its logical conclusion, choice may not even be an option for those who wish to exercise it, because of scarcity of supply or opportunity. Where the exercise of choice is backed by state funding it is by no means assured that the community as a whole will benefit. That is why, in nearly all circumstances of life, those who choose to exercise choice are generally expected to set their own expenditure priorities. There are necessarily limits, therefore, on the exercise of taxpayer funded options. Thus, other factors determining the decisions of governments must come into play.

1.19 The committee heard from a parent organisation that the expansion of the non-government school sector did not necessarily lead to increased choice and diversity so much as more conformity.¹¹ It pointed to the assumption underlying Government school funding policy that 'choice' is good because it equates to a free market philosophy which must lead to diversity, yet there is no evidence that non-government schools wish to attract non-conforming individuals into their communities. Students do not necessarily encounter much social diversity in schools which enrol only able and healthy students from middle class families or those who aspire to this status¹².

1.20 A preoccupation with choice plays havoc with educational planning and cost projections. There is already evidence of over-supply in some educational 'markets'. This forces up the cost per student. Since education is compulsory, public schools have a responsibility to maintain places in principle accessible to any student. But, as the NSW Public Education Council has asked, how many places must be publicly funded above the minimum necessary, in order to provide individual parental choice of school? Is every family entitled to a choice of at least two schools?¹³ The committee agrees with the view expressed in this submission that the notion of unlimited choice of schools is impractical and unaffordable. It is also an option unavailable to the large number of families in rural and remote areas where a local government school is the only practicable 'choice'.

1.21 Finally, choice does not necessarily deliver improved learning outcomes. As one academic commentator pointed out to the committee, Government policy has so far promoted the multiplication of schools and an expansion of places in the expectation of better learning quality outcomes for disadvantaged students, but there is

11 *ibid.*

12 Submission No.59, Federation of Parents and Citizens' Association of NSW, p.8

13 Submission No.52, NSW Public Education Council, p.8

no evidence that this has occurred. Nor has the growth of 'markets' in school education appeared to have led to better targeting of resources to children most in need.¹⁴

Entitlement

1.22 The same applies to consideration of the concept 'entitlement'. It is commonly argued that it is because parents are paying such high fees for education in particular schools that they are entitled to a reward for their sacrifices. This argument is not new: in the debates on the States Grants (Schools) Bill 1973 the House of Representatives was told:

We reject the emotional talk about wealthy schools. If schools are well off as far as facilities are concerned, it is because the parents have provided those facilities. We know that many parents who send their children to private schools are by no means wealthy. But they are prepared to make sacrifices so that they can send their children to schools which they believe offer extra opportunities for their children.¹⁵

1.23 This sentiment is echoed in a number of submissions to this inquiry. The argument that because individuals pay taxes they are entitled to a specific benefit has no more plausibility in this instance than the demand made by an individual for relief from taxation because of a disagreement over the way the government intends to appropriate revenue. Nonetheless, it is a view put forward with conviction.

1.24 The consistent policy of Labor in government and in opposition since 1996 has been that education funding should be allocated on the basis of need and in pursuit of equity. This was a relatively straightforward policy when it found expression in the recommendations of the Karmel report. The policy to modernise the existing school systems through funding of infrastructure, teacher training and curriculum transformation ran up against a Coalition policy to expand alternative school options. This was done for the purpose of creating a new constituency for the Coalition, sensitive to arguments which play on the notions of choice and entitlement, and assisted by social developments which have been described in the previous section

Need

1.25 The state is bound to regard the satisfying of need as its first priority and, as needs vary in the degree of urgency they present, governments must direct their energies and resources accordingly.

1.26 All representatives of independent schools were careful to stress the importance of the need factor, and supported the payment of additional funds to meet the needs of all schools. Their only stipulation was that extra funding to address needs should not come from the entitlements that are due to all students.

14 Submission No.8, Professor Richard Teese, p.2

15 Hon J D Anthony, *Hansard* (Hof R), 12 December 1973, p.4654

Competing under different rules

1.27 The committee takes the view that a perceived relative impoverishment of public schools, compared to private schools, has been the main reason for a drift of support from middle class families towards private schooling. It fears that there is a tendency for the Commonwealth Government to view public schools as institutions for those families unwilling or unable to make the 'sacrifice' necessary to educate their children in non-government schools. The clientele of public schools are regarded rather like families unwilling to pay for private health insurance: 'freeloaders' on the system, although fortunately freeloaders on state governments rather than on the Commonwealth. The Government believes it can afford to wear political opprobrium for its neglect of public schools because they are not used by its core constituency.

1.28 The Government is unlikely to deny the importance of public service obligations of public schools because it would be predisposed to see this as the main reason for maintaining them. They provide the 'safety net' of schooling. What may not be so obvious to the Government is that marginalised schools and school systems have a greatly reduced capacity to achieve the agreed national goals of schooling for the 21st century.

1.29 The objection of the committee to this view of the role of public schools is that it locks them into expectations of mediocrity. It belies the diversity of public schools and their record of academic achievement in all states and territories. It also points to the discriminatory consequences for public schools when they attempt to compete against non-government schools for middle class enrolments. Public school principals have alerted the committee to the fact that non-government schools play under far more favourable rules, as far as admission policies are concerned, and are not bound by any obligations apart from those established in common law. It is argued that is this difference in the operational rules which influences parental choice as much as funding inequities. As one submission states:

Publicly-funded private schools, by default or by design, can avoid catering for students from low income families, indigenous Australians, students with disabilities, students from one-parent families and students whose families may not profess a religious faith.

The consequence has been to create a public school system which disproportionately caters for these groups and, in the process, caters for young people and communities which are marginalized. This situation will be accentuated if funds to existing 'wealthy' private schools are simply redistributed to 'low fee' private schools, without any change in the way these schools operate. It will simply create and advantage more private schools at the higher end of what is an already uneven playing field.¹⁶

1.30 The committee received consistent evidence of public school systems bearing the larger part of the burden of catering for the needs of disadvantaged students. They

16 Submission No.23, NSW Secondary Principals Association, p.2

are under-resourced for this social obligation purpose. Over 40 per cent of students in public schools are from low-income families compared with 27 per cent of Catholic school students and 27 per cent from other non-government schools. Public schools enrolments of students with disabilities comprise 4.2 per cent, compared with 2.2 per cent in Catholic schools and 1.8 per cent in other non-government schools. Other indicators of a social divide between public schools and other schools relate to indigenous enrolments: 4.5 per cent in public schools compared with 2.6 per cent in other schools; with year 12 retention rates being much higher, at 85 per cent in non-government schools, compared to about 70 per cent in public high schools.¹⁷

1.31 Barbara Preston has undertaken a great deal of research on student characteristics and the type of schools they attend. She has found that students attending public schools are much more likely to have low family incomes than students attending either Catholic or other non-government schools. Indigenous students, whatever their family income level are much more likely to attend public schools. Preston's research findings are represented in the table below, under which she identifies the points arising from it.

Proportion of students in Government, Catholic, other nongovernment and all primary and secondary schools with very low family incomes, high family incomes, and who are Indigenous, Australia, 2001

	Government	Catholic	Other non-govt	All schools
<i>Very low family income (less than \$400/week)</i>				
Primary	13%	7%	7%	12%
Secondary	11%	6%	6%	9%
<i>High family income (more than \$1,500/week)</i>				
Primary	20%	31%	41%	24%
Secondary	23%	39%	52%	31%
<i>Indigenous students</i>				
Primary	4.6%	1.7%	1.5%	3.8%
Secondary	3.8%	1.1%	0.9%	2.5%

Source: ABS 2001 Census custom tables

This table provides key data relevant to this inquiry, and indicates that

17 Submission No.45A, ACT Council of Parents and Citizens Association, pp.3-4

- compared with both Catholic and other nongovernment schools, government schools have almost twice the proportion of students with very low family incomes (below the level of income of two parent families on benefits)
- the proportion of students with high family incomes in Catholic primary and secondary schools is more than 50 per cent higher than the proportion in government schools
- the proportion of students with high family incomes in other nongovernment primary and secondary schools is more than twice as high as the proportion in government schools
- compared with both Catholic and other nongovernment schools, government schools have around three times the proportion of Indigenous students¹⁸.

1.32 It is interesting to consider these findings in the light of evidence given by the Tasmanian Minister for Education that current funding arrangements to be continued in the new quadrennium provide public schools with far less Commonwealth funding for indigenous students and students with disabilities than is provided for non-government schools. In the case of students with disabilities the funding is about one fifth of that provided for students in non-government schools.¹⁹

Walled and unwalled school communities

1.33 The Secondary Principals' Association of NSW argues that the manner in which non-government schools are permitted to operate in Australia has resulted in substantial advantages accruing to them, with the effect of seriously disadvantaging public schools. This situation has occurred because neither the Commonwealth nor state governments have properly considered the conditions under which publicly-funded non-government schools should receive public funds; and the long term effects on public schools of a non-government school sector operating under what is effectively self-regulation.

1.34 The committee received tabulated evidence of differences in operational practice, requirements and obligations applying to public and non-government schools. The Secondary Principals' Association of NSW provided the table below with advice that the information presented for non-government schools in NSW is incomplete because of difficulty in obtaining the information. Characteristics of the integrated school system of New Zealand are added for comparison.

18 Submission No. 74, Ms Barbara Preston, p.11

19 Submission No.17, Hon Paula Wreidt MHA, p.2

Regulatory provisions applying to schools: a comparative table

Feature of school operation	NSW public secondary schools	Systemic schools and 'independent' schools in NSW	New Zealand state schools, which include govt & integrated schools
Enrolling students	Must enrol any student, without a history of violence, living in drawing area	Usually no obligation to enrol.	Government schools are zoned. Integrated Catholic schools cannot enrol more than 5% non-Catholics
Suspension of students	Must adhere to a strict policy which includes detailed provisions for procedural fairness	Practice varies – no publicly available policies and procedures	As for NSW. Both government and integrated schools follow the same rules.
Expulsion of students	Only after exhaustive procedures (above) are followed.		Decided by the school board
Discrimination on basis of sexuality, age or disability	NSW Anti-Discrimination Act 1977 applies to public schools.	Appropriate sections of the Act do not apply 'to, or in respect of, a private educational authority'	Not permitted by legislation.
Appointment of staff	By DET according to state-wide procedures. Limited local selection of executive staff. Schools can appoint temporary teachers	Usually school-based decision	By schools/boards following interview. Both government and integrated schools follow the same rules.
Dismissal of staff	Done by the DET after a lengthy school-based process of review of 'efficiency'		By schools/boards following program. Both government and integrated schools follow the same rules.
School uniforms	New draft policy in NSW makes uniforms 'compulsory'except for anyone who doesn't want to comply.	School-based decisions.	Both government and integrated schools follow the same rules. Enforcement has a legal basis.
Fees and contributions	DET will only support fees only for elective subjects as long as there are no-cost alternatives.	School or system decisions	Government and integrated schools follow the same rules but integrated schools collect additional 'attendance dues'.
Properties and maintenance	Some global budget provision but mainly centrally controlled and organised.	Varies, usually school-organised.	Grant for schools includes maintenance, but the property in integrated schools is owned by the school authority.

Note: All but 5% of 'private' schools in New Zealand are fully integrated into the state system and are regarded as state schools. Under the Private Schools Conditional Integration Act 1975 any school can apply to become an integrated school and the state then funds the operation of the school, with the land and buildings owned by the school authority.

1.35 As the table shows, the operation of non-government schools is bound by far fewer rules and constraints in comparison with public schools. The NSW Principals' Association believes that it is this difference in operational rules and requirements, as much as funding inequities, which affects the competitive ability of public schools and influences public perceptions about their relative attractiveness. Publicly-funded non-government schools, by default or by design, can avoid catering for students from low income families, indigenous Australians, students with disabilities, students from one-parent families and students whose families may not profess a religious faith.

1.36 The Association argues that the consequence has been the creation of a public school system that disproportionately caters for marginalised and disadvantaged groups. The committee agrees with the view expressed that this trend will be accentuated if funds to existing wealthy schools are simply redistributed to 'low fee' non-government schools, unless there is a change in the way these schools are required to operate. The playing field will remain uneven until such time as the non-government sector is obliged to accept some form of 'community service charter', and to accept in particular their share of responsibility for dealing constructively with disadvantaged and difficult-to-teach children.

1.37 Public school principals must deal with consequences of this state of affairs every day. They work within substantial restrictions on the way they operate, in contrast to the relatively few restrictions placed on principals of neighbouring publicly-funded non-government schools. One illustration of this problem is the frequent ill-disguised 'dumping' of unwanted students from non-government schools into public schools, often without any evidence of the students having been accorded procedural fairness and regardless of how many years the parents of the students paid high fees to those schools. This practice, and its differential consequences for public schools on the one hand and private schools on the other, illustrates the lack of fairness in existing frameworks.

1.38 In illustration of the points made in the Principals' Association's submission and evidence, the committee obtained a small sample of data collected by the NSW Teachers Federation which provides a sample of the reasons for movement of students from non-government schools to public schools. This data is in the table on the next page. It shows the reasons why these movements took place in the case a several public and private schools. We can infer from this example that this traffic is considerable.

1.39 Only infrequently is movement the other way, with non-government schools taking in nonconforming or difficult 'black sheep' from public schools. The committee emphasises its support for the legal obligations that currently apply in all states to public schools and school systems. Its concern is that these same laws and regulations should apply to all schools, and that the burden of holding up the enrolment safety net should be shared by all schools.²⁰ The committee notes in passing evidence of co-

20 Mr Ron Dullard, *Hansard*, Perth, 12 July 2004, p.7

operation between public and Catholic schools in rural Western Australia in taking in disruptive students and giving them 'another chance' in a different school environment. This policy should be more widely practiced.

1.40 The committee notes that this issue has been current for several years, and while it has resulted in some reconsideration of policy at the state level, it also requires the attention of the Commonwealth and MCEETYA. In 2000, former director of the Australian Council for Educational Research (ACER) and now director of education at the OECD, Dr Barry McGaw, urged that non-government schools should be made to provide the same social cohesion that Australia values and expects from its public schools. McGaw described most non-government schools as 'monochrome', established to create a limited social environment that is at odds with the more inclusive social value system of public schools. It was too late to roll back the enrolment tide toward non-government schools and for this reason it was important for the Government to impose conditions on non-government schools to ensure diversity in their enrolment and an obligation to serve the wider public good.²¹

21 Ebru Yaman, 'Private system divides society', *The Australian*, 10 July 2000

ENROLMENTS INTO PUBLIC SCHOOLS FROM PRIVATE SCHOOLS

PUBLIC SCHOOL	PRIVATE SCHOOL	YEAR	GRADE	REASON GIVEN BY PARENTS
Oxley High, Tamworth	Carinya Christian School, Tamworth	2004	7	Unhappy at Carinya
Oxley High, Tamworth	Carinya Christian School, Tamworth	2004	8	Not stated
Oxley High, Tamworth	Carinya Christian School, Tamworth	2004	11	Couldn't get subjects wished to study
Oxley High, Tamworth	McCarthy Catholic College, Tamworth	2004	8	Expelled
Oxley High, Tamworth	McCarthy Catholic College, Tamworth	2004	8	Expelled
Oxley High, Tamworth	McCarthy Catholic College, Tamworth	2004	9	Asked to leave
Oxley High, Tamworth	McCarthy Catholic College, Tamworth	2004	9	Asked to leave
Oxley High, Tamworth	Toowoomba Grammar, Queensland	2004	10	Being bullied and school did not act.
Robert Townson Public School	St Peters Anglican School, Campbelltown	2001	1	Child has autism. Parents were 'encouraged' to transfer to public system - told by St Peters that public system has the necessary resources
Cronulla High	Trinity Grammar School	2003	10	Expelled from Trinity after 3 warnings for misbehaviour
Cronulla High	Scots College	2004	12	Expelled from Scots after 3 incidents of misbehaviour
Riverside Girls High	Ascham	2004	9	Expulsion for bullying and harassment
Riverside Girls High	Loreto Normanhurst	2004	9	Couldn't afford fees any longer
Riverside Girls High	MLC Burwood	2003	8	MLC refused to accelerate her academically, which Riverside would do
Riverside Girls High	Marist Brothers Dundas	2004	9	Harassed at previous school
Riverside Girls High	St Scholastica's, Glebe	2002	7	Enrolled with sister in Year 11 when St Scholastica's threw out 4 girls at end of Year 10
Riverside Girls High	St Scholastica's, Glebe	2002	11	Told to leave
Riverside Girls High	St Scholastica's, Glebe	2002	11	Told to leave
Riverside Girls High	St Scholastica's, Glebe	2002	11	Asked to leave
Riverside Girls High	St Scholastica's, Glebe	2002	11	Subject choice
Riverside Girls High	Marist Sisters, Woolwich	2002	11	Could no longer afford fees
Riverside Girls High	Marist Sisters, Woolwich	2004	11	Riverside HSC results better
Riverside Girls High	Rudolf Steiner, Dural	2002	10	School didn't offer accredited HSC
Riverside Girls High	New England Girls Grammar, Armidale	2002	10	Expelled for stealing

Conclusion

1.41 The committee believes that targeted and judicious reform is necessary in the school sector in order to permanently put to rest the running controversy over schools funding that has continued with varying degrees of intensity over the past forty years. The dispute has always been over the allocation of funding, but the underlying problem is a failure to address the basic issue of the twin obligations of the state to educate its citizens and to maximise the efficiency of public investment to suit the needs of the whole community. Acceptance of Commonwealth funding requires the acceptance in turn of multiple responsibilities which go toward the building of a cohesive society rather than one which is characterised by exclusiveness and fragmentation. A reorientation of the policies affecting the school system is necessary to address this challenge. A much higher priority must be accorded to requirements for accountability and transparency in return for public investment. The attainment of the national goals for schooling, in particular the central goal of equity of outcomes, is not possible until the inequities inherent in the current Commonwealth funding regime are reversed.

Recommendation 1

The committee recommends that the Howard Government should accept responsibility for resolving the divisiveness its school funding decisions have generated, and that the Commonwealth should demonstrate leadership in developing a new national consensus on school funding, with a renewed focus on equity and a determination to raise the quality of education in schools that are poorly resourced to deal with under-achieving students.

Recommendation 2

The committee recommends that the Australian Government accepts its responsibility for the support of high quality public school systems as a national priority, including the endorsement of the MCEETYA principles for schools resourcing.

