

Government Senators' Report

Government senators on this committee are bemused by the frequent claims made by their Opposition and Democrat colleagues of the dire consequences to the nation of policy decisions made by the Government. When they refer to dire consequences, or in using language to that effect, it means that particular interest groups associated with the Opposition are unhappy about developments which may harm their interests. The Opposition is apt to confuse these interests with the promotion of the common good. This is at least contestable.

In dealing with the Schools Assistance (Learning Together-Achievement Through Choice and Opportunity) Bill 2004, the committee has looked hurriedly and superficially at some detailed legislation which extends and refines a policy which was commenced in its current form in the States Grants legislation in 2000. As was the case then, the Opposition is expected to approve this legislation and it will be implemented in time for the commencement of the 2005 school year. The main thrust of the Opposition's line of inquiry concerned the use of the SES model of funding, and the allegation that this gave unfair advantage to independent schools; and the increased growth of new independent schools. In the meantime, the Opposition made a vain attempt to drive a wedge between parties which have consistently supported Government funding policies over the past three Parliaments.

It is important to emphasise, at an early stage of this report, that much of the public debate about school funding has suffered from a widespread misapprehension about the source of that funding. The Commonwealth is not the main source of funding for all schools. The main source of funding for public schools will always be the states, because they control and resource them. The Commonwealth currently provides about 12 per cent of public school funding. Total funding for public schools can be expanded by the states, increasing their proportion of the total expenditure. The revenue pie can be increased if the states believe their systems are in need of additional funds.

The states have made the decision to hold back expenditure on schools. This is despite the fact that with additional (and expanding) revenue available to them through the GST, they have diverted money into other projects. As a recent *Canberra Times* editorial pointed out:

There is hardly a more pointless debate than the tired old one about relative Commonwealth and state contributions to various sectors of the primary and secondary school system. All the interest involved in the debate habitually use statistics to their own ends, never more misleading than when those who want more resources for government schools act as though state-government funding were not the basic source of government-school funds or that the Commonwealth is systematically starving their sector. The suitability of the Commonwealth as whipping boy is also assisted, as it is in the public-hospital debate, by the fact that the growth of state-government funding for schools has not matched the growth of Commonwealth

assistance, although the states have been enjoying a revenue bonanza in recent times. The states, in short, are diverting money which ought to go into health and education into other projects, hopeful that the public will blame the Commonwealth for lower standards or outcomes if they perceive it.¹

There is widespread awareness of this in educational circles, but as was indicated in the reactions of some teacher union officials who appeared before the committee, there is a reluctance to acknowledge it. Union officials are also reluctant to consider ways in which their actions and the attitudes they publicly espouse may not help the cause of the sector which employs their members. Teacher unions have never been at the forefront of educational reform, and have not been known to view education developments over the long-term in situations where the more immediate interests of their members may be threatened.

Raising national educational standards

The Government is committed to raising the national standard of school education through incremental steps to ensure quality learning outcomes. Opposition senators, aware of accusations from the states and territories of Commonwealth high-handedness in chairmanship of MCEETYA, do not believe that this can be taken seriously considering the Commonwealth is now expected to take a national policy lead in schooling. Current initiatives follow a progression of ideas that began in earnest during the tenure as minister of Hon David Kemp MP, and have been continued since. The emphasis has always been on rigorous standards and the accurate assessment and evaluation of results which test the attainment of these standards.

The achievement of higher standards requires a significant investment. The bill proposes the expenditure of a record \$31.3 billion over the four years, 2005-2008. To ensure that this outlay is expended with quad effect the Commonwealth has required that states and territories and non-government education authorities implement the main elements of the Australian Schools Agenda in order to receive funding. There is nothing heavy-handed in the way this requirement is made. MCEETYA has worked constructively to ensure that the program evaluations and accountability processes reflect the intentions and aspirations of all state authorities. Non-government school authorities appearing before the committee raised no difficulties about any of these matters.

Choice and entitlement

The majority report is basically correct in identifying a core of consistent policy in relation to schools funding which has continued from Gorton right through to Howard. It is correct in stating that ideals of choice in education, and the acknowledgment of an entitlement as taxpayers and parents to assistance to a particular school of choice,

1 Editorial, *Canberra Times*, 3 March 2004, p.14

were matters which had to await the decline into oblivion of the spectre of sectarianism which infected society for the previous century or longer.

The Opposition report attempts to establish a dichotomy between needs and choice: the implication being that a schools policy may not serve both. Opposition senators disagree and point out that in forty years that Commonwealth schools assistance has been available, both have been key policy considerations. Need is felt by all students, regardless of the financial circumstances of their families, and all are equally entitled to at least minimum Commonwealth assistance. The practical demands of good policy requires governments to give special consideration to students, families and communities whose financial circumstances make them unable to pay high fees. Since the 1960's, governments have acknowledged responsibility to address this need. Forty years on, this obligation has been recognised to an unprecedented degree. The needs basis for schools assistance is evidenced by the SES model of funding indexation. This indexation system will be discussed later in this report.

The issue of choice features prominently in submissions received by the committee, particularly parent groups who may be assumed to be concerned that this principle is honoured by all elected parliamentarians. The submission from the Association of Independent Schools of NSW makes a particular point about choice, and mentions the source of its concern:

....that more than 12 percent (and increasing) of all Australian students are being educated in independent schools, and more than 30 percent in non-government schools, shows that Australian parents value the diversity and choice available when it comes to educating their children. The Government's treatment of the parents who choose non-government schools should not only recognise their rights but be appreciative and respectful of their decision to give a high priority to their children's education.

There has again been some focus on the proposals to reduce the funding in respect of some students (those at certain schools) and that the funds saved should be re-distributed in support of students in other schools. The AIS has always supported the practical logic of funding of student education being based on the principle of entitlement plus need.²

Government senators observe that the concerns expressed in this submission refer to the frequent reference made by the Opposition to 'wealthy schools' being in receipt of what they see is excessive amounts of Commonwealth assistance. Particular schools are singled out for mention, and the implication is that the Opposition would deprive them of all funding if they were ever to attain government. This would result in considerable outrage, if it ever eventuated, for the principle of entitlement is as strongly held as the principle of choice. To deprive particular schools of any entitlement to base funding would force many families to withdraw their children from their schools because fees would need to rise considerably. The schools would then become exclusive institutions for the very wealthy, and this alone would result in

2 Submission No.47, Association of Independent Schools of NSW, p.1

considerable diminution of the social diversity of these schools, and probably effect the quality of their educational programs. The waging of a class war by a Labor government would have serious implications for whole education systems.

In the submission of the Independent Schools Council of Australia information is given about the effect of a reduction in government funding on a high-fee metropolitan day school. The school was asked to estimate fee increases for 2005-08 on the basis that Commonwealth funding was frozen at the 2004 level; with state funding at 5 per cent of AGSRC; no change to current enrolments; no staffing increases; general expenses rising at 3 per cent per annum and teachers salaries increased in accordance with recent decisions of the IRC. The school advised school fee increases in the order of 20 per cent, per year, would be required. The Council submission continued:

The school advised that in calculating these increases no allowance was made for costs due to teacher incremental steps, any new award conditions, adjustments to accrued sick leave and Long Service Leave Entitlements, additional superannuation and workers compensation payments based on increased salaries paid.

The school contends that fee increases would have a significant impact on its total enrolment. It estimates that over 40% of families have both parents working with one parent devoting their income solely to education expenses. Students leaving the school would transfer either to a lower fee independent school or a government school.

As the school in question is one of the lowest funding in the state the transfer of students to lower fee (and higher funded) independent schools would significantly increase the cost of educating the students to both the Australian Government and State Government.

Transfers to the government system, would obviously add a significant increase in case of education at the State Government level.³

Government senators make the point that grants to particular schools which have been quoted extensively in Parliament are not significant in overall terms. Even if the funds were redistributed, they would not add greatly to grants made to other schools. Yet they allow schools in receipt of these grants some scope for containing fee rises and other costs. The loss of funding would have an effect on these schools out of proportion to the actual amounts concerned.

Continuation of the SES funding model

The committee has been through the issue of the SES model before its inquiry into the States Grants (Primary and Secondary Schools Assistance) Bill 2000. Government senators assumed that there was little more to say on this matter, as according to those whose funding is determined by the system, the SES method works well. The Government, furthermore, has taken pains to ensure that no school has been

3 Submission No.43, Independent Schools Council of Australia, pp.12-13

disadvantaged by the introduction of the SES funding model. No school which has seen its SES score rise since the last quadrennium will have its funding reduced. In addition, the Catholic systemic system since its entry into the SES indexation model, has gained an additional \$362 million in funding over the quadrennium.

It has been noted that Opposition senators have attempted to show that the SES model has failed to attract support from school systems. The Independent Schools Council of Australia submitted that the SES funding scheme satisfies the criteria for a sound funding scheme for non-government schools, and that SES arrangements have worked satisfactorily over the 2001-04 quadrennium⁴. The Association of Australian Christian Schools was a strong advocate of the SES system from the beginning, and after nearly 4 years of its operation regards it as the most accurate way of measuring the capacity of school communities to pay fees.⁵

Shaking up the teaching and learning culture

For most of the period of Commonwealth involvement in schools funding, the Commonwealth has failed to exercise the full extent of its powers to effect changes to the way schools perform. It is true that Professor Peter Karmel intended that this be a role of the Schools Commission, and since then ministers have pursued reform agendas with varying degrees of energy. Nonetheless, there was a line drawn in the sand over which the Commonwealth did not tread, out of deference to the role of the states in running the schools as they thought best. It was also evident that independent schools through the 1970s to the 1990s were benefiting considerably from the extension of Commonwealth grants and showing signs of being leading innovators in some aspects of teaching and learning. The increasing size and wider diversity of the non-government school sector was bound to attract the interest of parents who were becoming more discriminating in the selection of a school for their children. The increased assurance of independent and non-government schools in actively seeking enrolments was a complementary factor resulting in increased enrolments.

The Opposition majority report has made much of the alleged impoverishment of public schools, and their lack of ability to be selective in their enrolment policies, as a cause of the drift of the middle class from public schools. These are arguable matters, but even if there is a modicum of truth in these assertions there is much that is missing from this argument. Government senators take the view that public schools have been burdened by a tradition of acceptance that 'the state will provide'. It is notable that a number of submissions and witnesses before the inquiry made the point that parents should feel an obligation to make some financial contribution to the education of their children. As the Director of the Catholic Education in Western Australia told the committee:

4 Submission No.43, Independent Schools Council of Australia, p.9

5 Submission No.15, The Association of Australian Christian Schools, p.7

My belief is that we do not want to be fully funded by the Government. We should have a contribution from parents. It makes a difference to their ownership of the school and their involvement in their child's education, all of which is positive.⁶

Other submissions, notably from the Australian Parents Council, have pointed to the fact that a closer participation and engagement of parents and families with their schools has shown to contribute to school effectiveness and improve learning outcome, with families able to do so making a contribution to schools fees.⁷ If the drift from public schools by the middle classes, and in many cases from families on low incomes, continues despite the obligation to pay fees (instead of the non-compulsory levies payable in public schools) it must indicate something about public perceptions of an under-performing public sector. Yet there does not appear to be a policy in action in any state to arrest this trend. It is likely that large bureaucratic systems are not ideally placed to deal with this phenomenon. Anecdotal evidence suggests that individual public schools under energetic and inspiring principals have resisted this trend and even reverse it, but such instances are exceptional.

Government senators point to the success of the Kennett government in Victoria in shaking up the public school system. Whatever the opinion may be on school closures (and criticism of this spread far beyond the ranks of Labor sympathisers), the decision of that government to introduce self management to schools was notably successful. The Government's proposal in the Schools Assistance Bill to require all states to give public school principals autonomy in the running of their schools has been criticised in the Opposition majority report. It is regarded as a step beyond the 'line in the sand' referred to earlier. It is inconceivable that there should be serious objection to this except within some sections of some state education departments. A high degree of centralised control has long been a tradition in New South Wales and Queensland. Senior departmental officials, whose own performance also requires evaluation, will need to encourage more trust and responsibility down the line. If principals are able to rely more on their communities, and become more accountable to them, rather than as acolytes from Bridge Street or Anne Street, as the case may be, then administration will be seen to support the learning and teaching focus of the school and school culture will more readily embrace locally initiated change.

Reporting requirements

The Schools Assistance Bill gives legislative force to agreements made by MCEETYA to improve the accountability and reporting responsibilities of all schools. For the first time this has a national focus as schools must report against the performance targets which relate to MCEETYA's National Goals for Schooling. There will be standardised tests and improved systems for transferring student records across state boundaries.

6 Mr Ron Dullard, *Hansard*, 12 July 2004, p.4

7 Submission No.26, Australian Parents Council p.3

Government senators also note that education authorities will be required to participate in preparation of a national report on the outcome of schooling, provide reports on student progress and ensure that school performance information is publicly available. There has been some comment that the Government is seeking to create a 'league table' of schools, as has been undertaken by the Labour Government in Britain. The Government has indicated that this is not its intention. There is good reason, however, for parents to be aware of the relative progress of their children and whether performance targets are being met across the country. This is one of the most important provisions of the bill, and a reform which is worthy of the name.

Finally, a concluding perception might be that those responsible for the higher governance of state schools, and the Australian Education Union, have shown little understanding of the need to win back popular support for the public schools through attractive innovation or support for reforms which would reinvigorate schools. Until recently, state education departments were exhausting themselves through years of debilitating 'restructuring' which left them little time to think creatively about the erosion of their middle class enrolment base. Nor has the instinctive conservatism of the teachers unions in regard to professional educational matters done much to improve the public image of teachers in the public schools.

Conclusion

Government senators note with approval that the Schools Assistance Bill builds on the success of the Government's school funding policy achieved so far and extends initiatives into new areas. As important as funding is, and as effective as its targeting is, it is likely that the long-term benefits of the legislation will be in encouraging all schools to be more resourceful, more innovative and more community based. Despite the criticisms from Opposition senators that this bill fails to meet the needs of public schools, it will have more long-term benefits to offer them through enforced autonomy than it will have on the non-government schools. This bill will give them something impressive to report on in the future.

Government senators commend the Schools Assistance (Learning Together – Achievement Through Choice and Opportunity) Bill 2004 to the Senate and urge that it be passed. Government senators believe that the provisions of the bill will meet the needs of all schools and that its passage is essential in allowing them to meet the national goals of schooling.

Senator John Tierney
Deputy Chair

Senator David Johnston

