Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into Commonwealth funding for schools

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Terms of reference

The principles of the Government's schools funding package and the effect of these principles on:

(a) the capacity of all schools to meet current and future school needs and to achieve the Adelaide Declaration (1999) on National Goals for Schooling in the Twenty-First Century;

(b) the role and responsibility of the Australian Government, in partnership with state and territory governments, for quality and equity in public funding for government and non-government schools across Australia and for promoting efficiency and effectiveness in the allocation of public funds for schooling, including effects on enrolment trends in the government and non-government sectors;

(c) the effectiveness of accountability arrangements for state, territory and Federal governments' funding of government and non-government schools; and

(d) the application of the framework of principles for the funding of schools that has been endorsed by state and territory governments through the Ministerial Council on Education, Employment, Training and Youth Affairs.

Summary

1. Introduction (page 5)

This is a personal submission that draws on some disparate, but relevant, work that I have done for a range of purposes over recent years, and some important work by others that the Committee may not be aware of.

My central, related, arguments are that

- schools policy should seek *quality*, *equity* and *efficiency* - that is, seek high average outcomes of schooling; minimise low outcomes, especially of students from disadvantaged backgrounds; and achieve those outcomes efficiently in terms of public and private expenditure. In Australia quality and efficiency are generally high. However, equity is low and appears to be diminishing.
- governments must take responsibility for unintended as well as intended consequences
- policy should be based on the best possible evidence and explicit values and argument, not rhetoric or crude ideology.

In this submission I discuss a number of different areas of policy and practice which often seem flawed - counterproductive, at odds with evidence (the real world) or internally inconsistent. In this section I raise the possibility of 'group think' being a factor underlying such flaws.

2. Australian schooling has low equity, but high average quality and efficiency by international standards (page 8)

Australia has inequitable educational outcomes relative to many comparable countries, and thus, it appears, an inequitable schooling system. In Australia social background makes a greater difference to schooling outcomes than the average of Organisation for Economic Co-operation and Development (OECD) countries. Other OECD countries which have similar inequitable schooling systems are seeking to do something *systematic* about it. Australia continues with marginal (if very valuable in themselves) programs, while the macro features of schools administration and funding increasingly exacerbates differentials between students and schools and more deeply entrenches social determination of educational outcomes.

Australia currently has high average student performance and mid-ranking per student expenditure compared with other OECD countries - thus has 'high quality' and 'high efficiency'. However, quality is threatened by increasing de facto stratification among schools and increasing inequity.

Evidence presented in this section is largely OECD data, drawn from a recent address by the Director of Education at the OECD, Barry McGaw (McGaw 2004).

3. Student characteristics and type of school attended (page 11)

Students attending government primary or secondary schools are much more likely to have low family incomes than students attending either Catholic or other nongovernment schools. Indigenous students, whatever their family income level, are more likely to attend government schools than other students with the same family incomes.

This section draws from a paper I prepared that analyses 2001 ABS Census data for primary and secondary school students according to type of school attended (government, Catholic, other nongovernment), by family income, by religion, by Indigenous status, and by family type. The full paper is provided in Appendix 1.

4. Increasing polarisation among schools (page 13)

The Commonwealth has had long-standing policy promoting 'choice' of school by families, which has been given a high priority under the current Government - in fact it is the first listed priority, ahead of 'improving the quality of teaching and the learning outcomes of students', in the April 2004 DEST Discussion Paper on schools funding (DEST 2004). The 1994 OECD report, *School a Matter of Choice* (OECD 1994), discussed the unintended consequences of policies meant to increase school choice, and concluded that such policies can enable successful schools to choose their pupils rather than the reverse, and lead to greater polarisation between schools and school sectors.

In addition to policies of 'choice', some school authorities have policies of school 'specialisation'. Together with the promotion of 'choice', these policies have increased social differentiation between the student populations of individual schools according to family income, religion, cultural background, educational ability of students and their educational and life aspirations. While some schools may benefit, others are 'residualised' - though the benefits or disadvantages may be mixed in either case. Such outcomes are intentional or unintentional.

ABS Census data for 1991, 1996 and 2001 are referred to as providing an indication of increased polarisation between school sectors (government and nongovernment).

5. SES funding scheme: questionable validity and inherent incentives towards increased polarisation/stratification (page 14)

Preliminary points are made that

- all Australians have an interest in the nature, role and public funding arrangements of nongovernment schools (noting that schooling is, in part, a 'positional good')
- internationally, publicly funded nongovernment schools generally cannot charge fees, and usually must accept all comers and fulfil other social obligations not required of Australian nongovernment schools.

The validity of the SES scheme is questioned, with reference to ABS Census data for Collection Districts (CDs) in the Penrith SLA. The CDs are organised into sextiles according to disadvantage. Within each sextile the general pattern noted in section 3 is apparent - those students with high family incomes are much more likely to be attending either Catholic or nonCatholic nongovernment schools (especially the latter) than those with low family incomes.

It is noted that nongovernment schools that have similar SES scores could be either attracting (or choosing) high SES students, or targeting low SES students. This is quite possible because nongovernment schools enrol a minority of Australian students, and in any locality students may be attending a number of nongovernment as well as government secondary or primary schools.

The SES scheme provides nongovernment schools with an inherent incentive to increase fees and ensure the exclusion of difficult to teach students while targeting higher SES students in lower SES CDs. Nongovernment schools that do not act in such a way, and genuinely seek to serve disadvantaged students in any CDs, are disadvantaged by the SES scheme.

There has been some justification of the SES scheme on the grounds that, like the former Disadvantaged Schools Program and the Country Areas Program, it takes account of neighbourhood SES in determining an individual's eligibility (if indirect) for given levels of public funding. In the case of the SES scheme such a justification involves an 'ecological fallacy' - in fact blatantly so.

Finally in this section, it is pointed out that the SES scheme is open to manipulation or corruption. One reason for the abandonment of the previous Education Resources Index scheme had been its corruption through nongovernment schools disguising income so that they would receive higher

levels of funding than they would otherwise be entitled to. The SES scheme is also open to manipulation. This is apparent in the area of students' home addresses in a time when many students have two legitimate home addresses (where parents are separated, for example), and there may be many other options for providing less legitimate 'home' addresses. As schools developed ways of disguising fees and other income with parents very much involved in the deception, so too are schools and parents now likely to seek to present students' home addresses in low SES CDs wherever possible. There is no mention of auditing of home addresses in documentation.

6. Boarding allowances: largely funding high wealth rural students to attend high fee boarding schools at a high social cost (page 22)

This section considers the Assistance to Isolated Children boarding allowances. This program does not strictly come within the schools funding package, but it is very relevant to the substantive terms of reference of this inquiry. The program is very large in financial terms, and largely funds high wealth rural students to attend boarding schools (that they would attend anyway) at high social cost for rural schooling and rural communities. Many recipients of the generous allowances have no trouble attending primary schools that are close to the secondary schools that the recipients are assessed as too isolated from to be able to attend.

The program also involves incentives for the distortion of rural school bus routes, and, with some exceptions, provides no assistance for low SES genuinely isolated students.

A detailed analysis of the program, its background and calculations of the cost of boarding to rural schools and communities is provided in Appendix 2, a 1999 submission I made to the Human Rights and Equal Opportunity Commission inquiry into rural and remote education.

7. Rhetoric-based or evidence-based policy on teachers? (page 26)

This section is also not strictly within the inquiry terms of reference, but looks at policy and practice regarding the future quality and quantity of the school teaching workforce.

There is a detailed analysis and critique of teacher workforce analyses and statements in MCEETYA, ministerial and Review of Teaching and Teacher Education documents. I am particularly critical of the repeated statement that a teacher shortage of 25,000-30,000 before the end of the decade is looming. Those making such statements appear to have no idea of the magnitude involved in a figure with a questionable basis. This indicates a policy process with little regard for evidence, but only rhetoric (at best).

I then discuss the negative implications of the decision to cap HECS for initial teacher education, and the generally perilous state of funding for teacher education in many institutions, especially those that have had large undergraduate primary teacher education programs.

1. Introduction

This is a personal submission that draws on some disparate, but relevant, work that I have done for a range of purposes over recent years, and some important work by others that the Committee may not be aware of.

My central, related, arguments are that

- all Australians have an interest in Australian Government policies regarding the funding and administrative arrangements of nongovernment as well as government schools
- schools policy should seek *quality*, *equity* and *efficiency* - that is, seek high average outcomes of schooling; minimise low outcomes, especially of students from disadvantaged backgrounds; and achieve those outcomes efficiently in terms of public and private expenditure. In Australia quality and efficiency are generally high. However, equity is low and appears to be diminishing.
- governments must take responsibility for unintended as well as intended consequences
- policy should be based on the best possible evidence and explicit values and argument, not rhetoric or crude ideology.

This submission has six substantive sections that can be read independently, but do have interconnections.

The first section following this introduction largely summarises a recent address by Barry McGaw, OECD Director of Education, in which he shows that, by international standards, Australia's schooling has

- low equity (socio-economic background of students has a larger than OECD average effect on outcomes)
- high average quality (that is, high performance)
- good efficiency (the high performance is achieved with medium levels of per student expenditure).

He also shows that schooling systems that are highly stratified are generally low achievers and have low equity. (Australia is one of a small number of countries not classified according to stratification.) He notes that other countries that are low equity and/or low quality are seriously investigating why this is so and what can be done to become high equity and high quality. But Australia is not carrying out such serious investigations.

I make the link with following sections that show the current and increasing degrees of stratification in Australian schooling, and the policies that are (or are likely to) exacerbate such stratification.

The following section considers student characteristics by type of school attended (government, Catholic and other nongovernment), noting in particular that students attending government primary or secondary schools are much more likely to have low family incomes than students attending either Catholic or other nongovernment schools. Indigenous students, whatever their family income level, are more likely to attend government schools than other students with the same family incomes.

This is followed by a brief section considering the matter of increasing polarisation among schools as a consequence of policies of school 'choice' and school specialisation. Census data from 1991, 1996 and 2001 are referred to.

The SES funding scheme is then considered in some detail in the following section (section 5). Preliminary points are made that

- all Australians have an interest in the nature, role and public funding arrangements of nongovernment schools (noting that schooling is, in part, a 'positional good')
- internationally, publicly funded nongovernment schools generally cannot charge fees, and usually must accept all comers and fulfil other social obligations not required of Australian nongovernment schools.

The validity of the SES scheme is questioned, with reference to ABS Census data for Collection Districts (CDs) in the Penrith SLA. It is noted that nongovernment schools that have similar SES scores could be either attracting (or choosing) high SES students, or targeting low SES students. This is quite possible because nongovernment schools enrol a minority of Australian students, and in any locality students may be attending a number of nongovernment as well as government secondary or primary schools.

The SES scheme provides nongovernment schools with an inherent incentive to increase fees and ensure the exclusion of difficult to teach students while targeting higher SES students in lower SES CDs. Nongovernment schools that do not act in such a way, and genuinely seek to serve disadvantaged students in any CDs, are disadvantaged by the SES scheme.

There has been some justification of the SES scheme on the grounds that, like the former Disadvantaged Schools Program and the Country Areas Program, it takes account of neighbourhood SES in determining an individual's eligibility (if indirect) for given levels of public funding. In the case of the SES scheme such a justification involves an 'ecological fallacy' - in fact blatantly so.

Finally in this section, it is pointed out that the SES scheme is open to manipulation or corruption. One reason for the abandonment of the previous Education Resources Index scheme had been its corruption through nongovernment schools disguising income so that they would receive higher levels of funding than they would otherwise be entitled to. The SES scheme is also open to manipulation. This is apparent in the area of students' home addresses in a time when many students have two legitimate home addresses (where parents are separated, for example), and there may be many other options for providing less legitimate 'home' addresses. As schools developed ways of disguising fees and other income with parents very much involved in the deception, so too are schools and parents now likely to seek to present students' home addresses in low SES CDs wherever possible. There is no mention of auditing of home addresses in documentation.

The following section (section 6) considers the Assistance to Isolated Children boarding allowances. This program does not strictly come within the schools funding package, but it is very relevant to the substantive terms of reference of this inquiry. The program is very large in financial terms, and largely funds high wealth rural students to attend boarding schools (that they would attend anyway) at high social cost for rural schooling and rural communities. Many recipients of the generous allowances had no trouble attending primary schools that are close to the secondary schools that the recipients are assessed as too isolated from to be able to attend. The program also involves incentives for the distortion of rural school bus routes, and, with some exceptions, provides no assistance for low SES genuinely isolated students.

The final section (section 6) is also not strictly within the inquiry terms of reference, but looks at policy and practice regarding the future quality and quantity of the school teaching workforce.

'Group think'?

In this submission I discuss a number of different areas of policy and practice which often seem flawed - counterproductive, at odds with evidence (the real world) or internally inconsistent. Of

course I have not been privy to the processes through which the policies and practices were developed. However, there may be something relevant in the discussion of 'group think' in the recent United States Senate Select Committee on Intelligence report (2004) (echoed in the Australian Flood report's comments on the need for 'contesting' of arguments). The Select Committee found that

> intelligence analysts, in many cases, based their analysis more on the expectations than on an objective evaluation of the information . . . This bias . . . represents 'group think', a term coined by psychologist Irving Janis in the 1970s to describe a process in which a group can make bad or irrational decisions as each member of the group attempts to conform their opinions to what they believe to be the consensus of the group. [Intelligence community] personnel involved in the Iraq WMD issue demonstrated several aspects of group think: examining few alternatives, selective gathering of information, pressure to conform within the group or withhold criticism, and collective rationalization. (Conclusion 3)

The Select Committee also found that, in 'significant instances', analysis

> suffers from a 'layering' effect whereby assessments were built based on previous judgements without carrying forward the uncertainties of the underlying judgements. (Conclusion 4)

'Group think' is a matter of management and advice-forming and decision-making structures, rather than the competence of individuals. The current structures, processes and relationships of departments and the government (including ministerial offices) appear to me to facilitate 'group think' (and 'layering'). Independent analysis and advice-giving bodies (such as the former Schools Commission and the National Board of Employment Education and Training) tend to facilitate contesting of ideas, the development of multiple scenarios, devil's advocate approaches, public airing of ideas early in the policy process, and other means of avoiding 'group think' with all its negative consequences. Whether or not there are such independent bodies, departments such as DEST (and government/ministerial offices) should ensure there are structures and processes to avoid 'group think' and to ensure well-evidenced and fearless advice from different perspectives.

Reference

Unites States Senate Select Committee on Intelligence 2004, *Report on the U.S. Intelligence Community's Prewar Intelligence Assessments on Iraq: Conclusions*, 7 July 2004, viewed 10 July 2004, <http://intelligence.senate.gov/conclusions.pdf>

2. Australian schooling has low equity, but high average quality and efficiency by international standards

Australia has inequitable educational outcomes relative to many comparable countries - Australia has an inequitable schooling system. In Australia social background makes a greater difference to schooling outcomes than the average of Organisation for Economic Co-operation and Development (OECD) countries. Other OECD countries which have similar inequitable schooling systems are seeking to do something *systematic* about it. Australia continues with marginal (if very valuable in themselves) programs, while the macro features of schools administration and funding increasingly exacerbates differentials between students and schools and more deeply entrenches social determination of educational outcomes. This should change.

In a recent address, titled 'Evidence or Ideology: Developing evidence-based policy in education', the Director of Education at the OECD, Barry McGaw (McGaw 2004), outlined the evidence for the lack of equity in Australia's schooling while our quality and efficiency are relatively high. He primarily draws evidence from the 2000 OECD Programme for International Student Assessment (PISA), which measured the performance of 15-year-olds in reading, mathematical and scientific literacy, and which obtained information on student background characteristics such as parents' education and occupation and cultural artefacts in the home 'which permitted the construction of an *index of social background* that is comparable across countries' (p. 2).

Australia's high average student performance is shown by results in reading literacy where Australia is ranked second (jointly with a number of other countries, including Canada, New Zealand, Ireland and Korea) behind Finland. Efficiency is indicated by Australia's mid-ranking cumulative expenditure per student to age 15. Finland spends marginally more than Australia. Counties that spend much more per student than Australia but have substantially lower levels of average student performance in reading include Austria, the USA, Denmark, Switzerland, Norway, and Italy. Germany spends a little less per student than Australia, but student performance is substantially lower (McGaw 2004, Figure 1, p. 14).

McGaw notes that for OECD countries as a whole

> the relationship between social background and achievement is quite strong. . . [though] it is clear there are many individual exceptions - socially advantaged students who perform poorly and students from disadvantaged backgrounds who perform well. (p. 2)

A four-sector figure can be created by intersecting the OECD average level of student performance in reading literacy (horizontal mid line) with the OECD average relationship between reading literacy performance and the index of social background (vertical mid line). In the two top quadrants are countries where reading literacy performance is above the OECD average (high quality), and in the two bottom quadrants are those where performance is below the OECD average (low quality). In the two left side quadrants are countries where social background has a stronger relationship with performance than the OECD average (low equity), and in the two right side quadrants are countries where social background has a weaker relationship with performance than the OECD average (high equity). Australia, along with other countries such as the UK, USA, France and New Zealand, is in the 'high quality, low equity' quadrant. Finland, the highest average performer, is well into the right top quadrant of 'high quality, high equity'. Other countries in that quadrant include Canada, Korea, Japan, Ireland and Sweden. A country notably in the 'low quality, low equity' quadrant is Germany (see further below) (Figure 3, p. 16). As McGaw notes

> Being socially disadvantaged is associated with much greater educational disadvantage in counties like Australia, the UK, the US and Germany than in countries like Finland and Korea. (p. 3)

He points out that

> The presence of countries in the top-right quadrant reveals that it is possible to achieve high quality and high equity together. They confirm that the pursuit of equity need not be at the expense of quality. The Australian belief that attention to equity will result in 'dumbing down' of the education system is misplaced. Levelling up is possible. (p. 3)

The data on social background and mathematical literacy for Australia compared with other OECD countries is also striking - and worrying. Again, on average Australian students perform better than the OECD average, though not as well as Hong Kong, Finland and Canada. Those higher performing countries show a weaker relationship between performance and social background than the OECD average (they are high quality, high equity), though the general patterns (shape of the regression lines) are similar to the OECD average - 'with high social advantage, additional advantage is associated with less increase in mathematical literacy than reading literacy' (p. 3). However, Australia's pattern is different:

> As social advantage increases, additional advantage is associated with greater increase in mathematical literacy in Australia but with a lesser increase in the OECD as a whole and [Hong Kong, Finland and Canada].
>
> The picture of Australia as a high-quality, low-equity country that emerges in the international comparisons of reading literacy is reinforced in the analysis of mathematical literacy. (p. 4)

Many countries which have less than optimal quality, equity or efficiency are systematically investigating the situation and are seriously committed to improvement. McGaw outlines some of these developments.

McGaw also makes a significant general point from OECD data. On the figure (noted above) with the four quadrants of quality and equity dimensions, schooling systems with a 'high degree of stratification' (commonly separating students from as early as age 11 into different academic and vocational schools) and those with a 'low degree of stratification' (generally comprehensive schooling, at least to age 15) are indicated. Ten countries have a low degree of stratification, eight of which are high quality (the other two are close to the OECD average), and four are high quality, high equity. Finland, the highest quality country, and is also high equity, has a low degree of stratification. Ten countries have high stratification, seven of which are below average in quality, and none of which is high quality, high equity. Germany, which is the lowest equity country, and is also low quality, has a high degree of stratification. (There are five countries, including Australia, for which the degree of stratification is not specified.) McGaw concludes

> There is a clear tendency for those countries that maintain comprehensive systems to be among the higher achievers but no clear tendency for them to be either high or low equity. There is a clear tendency for those countries that stratify their lower secondary school systems to be among the lower average achievers and a tendency for them to be low equity.
>
> Early segregation of students is intended to provide the most appropriate education for all students according to their level of development. It tends, however, to exacerbate differences among students and to increase the impact of social background on educational achievement. Students from socially disadvantaged backgrounds are more likely to be directed to low-status educational programmes where they achieve less well. Under these conditions, the education system effectively reproduces the existing social order. It does not challenge it, and it does not make a difference. (p. 7)

Most Australian secondary schools are officially comprehensive. However, as I show in the following sections, there is a high degree of social stratification among schools, which appears to be increasing, and the current Australian Government nongovernment school funding scheme has inherent incentives for the further exacerbation of social stratification among schools. As the

OECD data indicates, this is likely to lessen overall (average) performance as well as lessen equity in outcomes.

Reference

McGaw, Barry 2004, 'Evidence or Ideology: Developing evidence-based policy in education', Phillip Hughes Oration 2004, Australian Capital Territory Chapter of the Australian College of Educators, Canberra, 20 July [forthcoming as a publication of the Australian College of Educators, www.austcolled.com.au]

3. Student characteristics and type of school attended

Students attending government primary or secondary schools are much more likely to have low family incomes than students attending either Catholic or other nongovernment schools. Indigenous students, whatever their family income level, are more likely to attend government schools than other students with the same family incomes.

This has two significant implications for this inquiry

- students with low family incomes and Indigenous students generally require higher levels of per student resourcing to provide them with an equivalent quality of education to that received by students with higher family incomes and nonIndigenous students. This should be taken into account when considering fair average per student resourcing (from all sources) in the different school sectors.
- the stratification between the sectors indicated by this data points to the danger to overall achievement levels by Australian students indicated by the OECD data and analysis reported in section 2 above. It is possible (even likely) that Australia's overall performance would be higher if there was less social stratification between sectors.

Table 3.1. 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 nongovt	All schools
Very low family income (less than $400/week)				
Primary	13%	7%	7%	12%
Secondary	11%	6%	6%	9%
High family income (more than $1,500/week)				
Primary	20%	31%	41%	24%
Secondary	23%	39%	52%	31%
Indigenous students				
Primary	4.6%	1.7%	1.5%	3.8%
Secondary	3.8%	1.1%	0.9%	2.5%

Source: ABS 2001 Census custom tables

Table 3.1 provides key data relevant to this inquiry, and indicates that

- 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 students.

Appendix 1 to this submission is a paper by the author (Preston 2003) that provides detailed data and analysis based on 2001 ABS Census data on family incomes and other student characteristics and the type of school attended (government, Catholic or other nongovernment) by primary and secondary school students. Relevant information from that paper is summarised here.

The family incomes of school students can be divided into three ranges with similar numbers of secondary students across Australia in each: 'low' (below $800 a week), 'medium' (between $800 and $1499 a week), and 'high' ($1500 or more). There tends to be a larger proportion of primary students in the low family income range (because parents are at earlier stages in their careers, and mothers are likely to be working fewer hours).

Nationally, 44 per cent of students in government *primary* schools have low family incomes, while only 29 per cent of students in Catholic primary schools have low family incomes, and 27 per cent of students in other nongovernment primary schools have low family incomes. (Appendix 1, Table 2.1)

Catholic primary schools are usually systemic local schools, but they draw from a higher socioeconomic population than the equivalent government schools. It is not that people of Catholic religion generally have higher incomes. Considering only primary students of the Catholic religion, of those with low family incomes 56 per cent attend government schools, and only 42 per cent attend Catholic schools (the other two per cent attend other nongovernment schools). In contrast, of Catholic religion primary students with high family incomes, only 32 per cent attend government schools, and 61 per cent attend Catholic schools (seven per cent attend other nongovernment primary schools). (Appendix 1, Table 4.1)

In government *secondary* schools 40 per cent of students have low family incomes, while only 27 per cent of students in Catholic secondary schools have low family incomes, and 23 per cent of students in other nongovernment secondary schools have low family incomes (Appendix 1, Table 2.1). The pattern for Catholic religion students is similar at the secondary level to the primary level, except an even smaller proportion of Catholic secondary students with high family incomes (27 per cent) attend government schools. (Appendix 1, Table 4.1).

Indigenous students across Australia are much more likely to attend government schools whatever their family income or religion. Eighty eight per cent of all primary Indigenous students and 85 per cent of all secondary Indigenous students attend government schools. Ninety one percent of primary and 90 per cent of secondary Indigenous students with *very low* family incomes (less than $400 a week) attend government schools. Seventy seven percent of primary and 73 per cent of secondary Indigenous students with *high* family incomes attend government schools. Catholic religion Indigenous students are much more likely to attend government schools than nonIndigenous students in the same family income range (Appendix 1, Tables 7.3 and 7.4). For example, 55 per cent of Indigenous Catholic religion students with high family incomes attend government schools, while only 27 per cent of all Catholic religion secondary students with high family incomes attend government schools (Appendix 1, Table 4.1).

Reference

Preston, Barbara 2003, *The social make-up of schools: Family income, religion, Indigenous status and family type in government, Catholic and other nongovernment schools*, An information prepared for the Australian Education Union, Melbourne, viewed 15 June 2004, <http://www.aeufederal.org.au/Debates/bprestonsch.pdf>

4. Increasing polarisation among schools

The Commonwealth has had long-standing policy promoting 'choice' of school by families, which has been given a high priority under the current Government - in fact it is the first listed priority, ahead of 'improving the quality of teaching and the learning outcomes of students', in the April 2004 DEST Discussion Paper on schools funding (DEST 2004). The 1994 OECD report, *School a Matter of Choice* (OECD 1994), discussed the unintended consequences of policies meant to increase school choice, and concluded that such policies can enable successful schools to choose their pupils rather than the reverse, and lead to greater polarisation between schools and school sectors.

In addition to policies of 'choice', some school authorities have policies of school 'specialisation'. Together with the promotion of 'choice', these policies have increased social differentiation between the student populations of individual schools according to family income, religion, cultural background, educational ability of students and their educational and life aspirations. While some schools may benefit, others are 'residualised' (for an early discussion of residualisation of public schooling in Australia, with concern expressed that then Commonwealth Government policies would exacerbate such residualisation, see Preston 1984) - though the benefits or disadvantages may be mixed in either case. Such outcomes are intentional or unintentional - for example in an academically selective school an academically differentiated student population is explicitly sought, though social and cultural differentiation may be unintended consequences. The effects of differentiation occur both in the selective school and in the schools that selected students would have attended if the school was not selective and that enrol the students who would have attended the selective school if it was not selective (the 'not selected' students). The net benefits and costs of both intended and unintended consequences will be matters of debate, but should be investigated and evaluated according to explicit criteria.

There is much anecdotal evidence of increasing polarisation, and some unequivocal data. Publicly available evidence includes that of the ABS Census for 1991, 1996 and 2001, where there is data on the family incomes of school students by the type of school attended (government or nongovernment). In 1991 and 1996 the proportion of nongovernment secondary school students with high family incomes (incomes in roughly the top third of all Australian secondary students) was about *one and a half* times the proportion of government secondary school students with high family incomes. By 2001 the proportion of nongovernment secondary school students with high family incomes had increased to *almost twice* the proportion of government secondary school students with high family incomes. As noted in the previous section, in 2001, 45 per cent of nongovernment secondary school students had high family incomes while only 23 per cent of government secondary school students had high family incomes.

References

Department of Education, Science and Training (DEST) 2004, 'Learning Together: Achievement through Choice and Opportunity. Australian Government Funding for Schools for the 2005-2008 Quadrennium', DEST Discussion Paper, April, DEST, Canberra, viewed 19 June 2004, <http://www.dest.gov.au/schools/publications/2004/quadrennial/05-08_discussion_paper.pdf>.

Organisation for Economic Co-operation and Development (OECD) 1994, *School: A Matter of Choice*, Centre for Educational Research and Innovation, OECD, Paris.

Preston, Barbara 1984, 'Residualization: what's that?', *The Australian Teacher*, No. 8, May.

5. SES funding scheme: questionable validity and inherent incentives towards increased polarisation/stratification

In this section I will make two general points about the public funding of and administrative arrangements for nongovernment schools before considering the SES funding scheme itself.

All Australians have an interest in the nature, role and public funding arrangements of nongovernment schools

Funding arrangements for nongovernment schools are a matter of legitimate concern to all Australians, especially all those with an interest with schooling (including government schooling) and its outcomes. The nature and social roles of nongovernment schools - at local, regional, state and national levels - impact on the nature and social roles of government schools, and have consequences for many aspects of communities' social, cultural and economic wellbeing.

While we do not now appear to have such overtness, it is salutary to bear in mind the way until 1913 Victorian nongovernment secondary schools tenaciously and successfully prevented public sector provision of matriculation (and thus access to the University of Melbourne) except in marginal cases such as country agricultural high schools and teacher training schools (Selleck 1982). Even after 1913 they were able to ensure restrictions on the establishment of public secondary schools to prevent any serious competition with independent schools until the 1940s. Frank Tate, director-general of education in Victoria in the early decades of last century, opposed the private school monopoly on matriculation. In his 1905 annual report he gave the extension of public secondary education a high priority, and wrote that some of those who opposed him did so

> because they regard such an extension [of matriculation to state schools] as an attach upon their own class privileges and interests. . . At present we merely throw out a few ropes from the upper storey [to selected pupils, whereas what should be provided are] broad stairways for all who can climb. (quoted in Selleck 1982, p. 157)

This reminds us that schooling is, in part, a 'positional good' - that is, one individual's or group's success in schooling is, in part, at the expense of others. This is most clear in the case of year 12 results and access to university courses with insufficient places to meet demand, especially those courses at particular universities that lead to the most lucrative, powerful and high status positions available to graduates. In this respect schooling differs from health, which is not a 'positional good', and everyone benefits from the improved health of others.

Thus it is not correct for the DEST Q&A website on the SES Funding Arrangements for Non-government Schools (DEST 2004a) to respond to the question, 'What does this mean for Government schools?' with 'Nothing'. This is especially so given the particular incentives inherent in the SES scheme that are discussed below.

Governments should take responsibility for the indirect and unintended consequences of their policies.

Internationally, publicly funded nongovernment schools cannot require fees

Australia is unique internationally for providing high levels of public funding to nongovernment schools that charge fees and do not accept all comers. Elsewhere around the world, where nongovernment schools receive substantial public funds (or are fully funded), they cannot require the payment of fees and in other ways are constrained and accountable in ways that Australian nongovernment schools are not.

SES model's questionable validity

From 2001 nonCatholic nongovernment schools have been funded under the SES scheme. This year the Catholic school systems came into the scheme. The Catholic schools, like the other

nongovernment schools before them, received substantial additional payments, and no school lost (or will lose) per student real levels of funding.

The SES scheme replaces a scheme (Education Resources Index or ERI) that had been operating in various forms since the early 1970s, which was based on an assessment of schools' actual private income (fees in particular), with low fee schools receiving higher levels of government funds. The previous system was seen to have two major flaws: nongovernment schools manipulated their financial accounting so that they appeared to received lower levels of private funding than they in fact did (it was 'manipulable' and became 'complex' and 'intrusive'), and it inhibited 'private effort' - presented on the DEST website as 'income from fetes and working bees'(DEST 2004a) but essentially increasing fees.

The SES scheme allocates a score to individual nongovernment schools derived from an average of socio-economic (SES) measures of the ABS Census Collection Districts (CDs - about 225 dwellings/households) in which a representative sample of the school's students live. Thus a school with students who primarily live in high SES CDs will have a high score and receive a relatively low level of Commonwealth funds per student, and a school with students who primarily live in low SES CDs will have a low score and receive a higher level of Commonwealth funds per student.

The SES scheme assumes that the average socio-economic level of CDs are reasonably accurate indicators of the socio-economic status of nongovernment school students who live in those CDs. The model accepts that there will be variation of household SES levels within CDs, but assumes that there will be no consistent pattern according to school attended, so that among a school's student population, those whose SES is higher than average for the CD they live in will be balanced by those whose SES is lower than the average of their neighbours.

This might be reasonable if there was a system of schools that were local, comprehensive and 'common', but the schools the scheme funds vary a great deal among themselves according to these criteria, and even taken together they generally enrol a minority of students in any locality, and these students are generally of higher SES than the average of students in the locality and particular CDs (see later).

The SES scheme has fundamental flaws. While some validation studies were carried out (DEST 1999), the core validity of the model is questionable and it contains a powerful incentive for fee increases as a mechanism of exclusivity as well as increasing school income (see following subsection). The most thorough of the validation studies (Ainley and Marks 1999) compared the SES ratings of a large number of nongovernment schools (Catholic and non-Catholic) according to a number of ABS Census-based indexes (including that proposed for the SES funding scheme) and an index based on data on the backgrounds of students in participating schools from the 1995 sample of the Longitudinal Surveys of Australian Youth (LSAY). They found that the SES model had a correlation of about 0.85 with the LSAY index. This measure of 0.85 was stated as 'high by most standards in social research' (p. 7), but I consider it may in fact be quite low for this particular situation. A perceptive individual rating schools after spending time with a representative sample of students may well obtain a higher correlation with LSAY. The less than perfect (1.0) correlation was attributed to the different purposes of the LSAY data collection and the SES index, and a number of technical matters (pp. 9-10) - rather than any lack of validity in the SES index as an indicator of the actual SES of schools.

The general pattern noted in the previous section - of low income families generally sending their children to government schools, and middle and especially higher income families being much more likely to send their children to Catholic and other nongovernment schools - is reflected *within* CDs. The differentiation between the three sectors (government, Catholic and other nongovernment) apparent in Census data would certainly be reflected between different subsectors, such as between high fee and low fee nonCatholic nongovernment schools. There are,

on average, 52 primary students and 37 secondary students in each Australian CD - quite a large number of students. The large majority of these will usually attend government schools, the next largest group will attend Catholic schools, and, on average, only about 12 per cent will attend other nongovernment schools.

I have done some preliminary analysis of 2001 Census data that illustrates some of the issues. The data is from the 2001 census for every CD (245 in total) in the Penrith Statistical Local Area (SLA), secondary students with family incomes over $1500 a week (roughly the top third of family incomes for all Australian secondary students), by type of school attended (government, Catholic and other nongovernment). The Penrith SLA has a higher proportion (36 per cent) of secondary students with high family incomes than there are in Australia as a whole (31 per cent - see earlier). In Table 5.1 the CDs are sorted into sextiles according to the ABS Index of Relative Socio-Economic Disadvantage. In the most disadvantaged sextile of CDs, 16 per cent of secondary students have high family incomes, while in the least disadvantaged sextile of CDs 49 per cent of secondary students have high family incomes. What is striking in the data is that the proportion of students with high family incomes attending the different types of schools varies very little between the sextiles, with no discernible trend. That is, where-ever they live, students with high family incomes are much more likely to attend nongovernment (especially nonCatholic) schools than students with low family incomes (Table 5.2). There are high income families is very low SES CDs, and they appear just as likely to send their children to higher fee schools as are high income families in high SES CDs. This indicates that, at all CD SES levels, students attending nonCatholic nongovernment schools, and, to a slightly lesser extent, students attending Catholic schools, have a higher SES than the average of all students (including those attending government schools). This makes clear the incorrectness of the statement on the DEST Q&A site (DEST 2004a) that 'the SES approach measures the socio-economic status of parents whose children are enrolled at a school'.

There *is* a trend apparent for secondary students with both low and medium family incomes, with a much smaller proportion in the most disadvantaged sextile likely to attend other nongovernment schools (3 and 4 per cent respectively) than the in the least disadvantaged sextile (11 and 13 per cent respectively). The trend is not as strong in the second to fifth sextiles. It is possible the income disguise may be a factor, but probably only partially, so the data indicates that a significant (if still small) proportion of students with low family incomes, living in high SES CDs, can be attending nonCatholic nongovernment schools (as well as Catholic schools). (This data is not shown in the tables.)

In conclusion, it is quite possible for a high fee school to select out high family income/high SES students from low SES CDs, and for a low fee school to draw from (target) low family income/low SES students from high SES CDs. The geographic location of schools in relation to CDs of particular SES levels, and the willingness the families involved to travel greater or lesser distances and, of course, the fee level of the school and its mission, ethos and policies, are all relevant.

Yet none of this is taken into account in the SES model. The potentially relevant discussion in the Simulation Project Report (Steering Committee for the Simulation Project 1998, pp. 45-46) glosses over the issues with abstract illustration and statements about the general structure of SES within and between CDs that may not apply to families with students at nongovernment schools. It is revealing that the discussion is in response to a 'question': *'Our school draws the most disadvantaged students from within a CD. Therefore the measure based on the average of a CD is unfair to us.'* (p. 45). Note there is no query where a school 'draws' the most advantaged from within a CD. 'Draws' has neutral connotations. 'Targets', or 'selects' may be more accurate for many schools, and makes clearer the real differences between schools whose students live in a similar mix of CDs (thus the schools get the same SES score), but the respective student populations have very different actual SES.

Table 5.1. Proportion of secondary students with high family incomes (over $1500/week) in each sextile according to disadvantage of Census Collection Districts in the SLA of Penrith, attending government, Catholic and other nongovernment schools, 2001

	Government schools	Catholic schools	Other nongovt schools	All schools (%)	All schools (number of students with high family incomes)	All schools (number of students at all family income levels)
1st sextile (most disadv)	54.7	32.9	12.4	100.0	181	1122
2nd sextile	44.4	38.8	16.8	100.0	294	1176
3rd sextile	51.8	35.5	12.7	100.0	541	1603
4th sextile	53.5	35.3	11.2	100.0	887	2378
5th sextile	50.0	35.8	14.2	100.0	838	2175
6th sextile (least disadvantaged)	48.1	33.2	18.7	100.0	1188	2417
Total	50.3	35.0	14.7	100.0	3935	10910

Source: ABS 2001 Census custom tables

Table 5.2. Proportion of secondary students with low, medium and high family incomes in government, Catholic and other nongovernment schools in the SLA of Penrith, 2001

	Government schools	Catholic schools	Other nongovt schools
Low family income	72.1	23.1	5.8
Medium family income	60.3	29.6	10.1
High family income	50.3	35.0	14.7
All incomes levels	59.5	29.9	10.7

Source: ABS 2001 Census custom tables

It has been argued (by Louise Watson 2004, for example), that the main issues are the political decisions to allocate a particular quantum of funds to nongovernment schools and to determine the differential between the highest and lowest funded schools. That is a reasonable point. However, the misrepresentation of the model as validly indicating SES of student populations, and the serious anomalies for many individual schools, remain. So do the crucial inherent incentives and lack of proper control that are likely, over time, to exacerbate inequities and have consequences that are damaging to Australian society. These are discussed in the following subsections.

Inherent incentives to increase fees and select high SES students from low SES communities

A very significant feature of the SES model is that it has powerful and inherent incentives for nongovernment schools to increase fees and select high SES students from relatively low SES localities wherever possible.

Over time this will make the SES model even less valid, and will reward schools that exclude low income, difficult students, and disadvantage those nongovernment schools that genuinely want to meet the needs of the most educationally and socially disadvantaged. Government schools, and Australian society generally, will be detrimentally affected.

On the DEST website the Government claims that:

> Under the SES arrangements funding for nongovernment schools serving the neediest communities will be significantly increased. Further, schools which extend their services to lower income communities will benefit financially. The new arrangements will give all parents a real choice of schooling options, regardless of their economic circumstances.

This is largely just rhetoric. Low fee schools often received lesser proportional increases under the SES scheme than high fee schools. We must remember that these arrangements cover only a minority (about 32 per cent) of Australian school students. In any community, but especially in lower income communities, many, if not the very large majority, of students will be attending government schools.

The SES scheme, unlike the scheme it replaced, contains no incentive to constrain the level of fees. In fact a virtue of the scheme is claimed to be that it does not inhibit 'private effort'. Certainly there is an incentive for students to be drawn from low SES CDs. However, the most powerful incentive is for the higher SES students to be *selected* from the roughly 50 primary school students or 40 secondary school students in any CD. High fees, combined with targeted marketing to lower SES neighbourhoods, will ensure the highest level of Commonwealth funding, high levels of private income, and the exclusion (because of high fee levels) of students from low income families who are likely to be more difficult (and expensive) to teach well and to have lower test and final school results. Thus the schools that benefit most from the scheme will not be those which 'extend their services to [actual] lower income communities', but those which extend their services to the higher SES neighbours of lower SES families.

Rightly, the DEST site (2004a) notes that the SES scheme does not prevent schools from competing 'in the marketplace' (though competing 'fairly', as claimed by DEST, is another matter). The way schools compete now, and will increasingly under the SES scheme, is illustrated by a recent report in *The Australian (*Laurie & Taylor 2004), 'Students forced out to save school's rank'. The report began: 'Struggling year 12 students will be forced to sit final exams as independent candidates to avoid damaging the reputation and academic ranking of a private Perth college'. The school, Carmel Adventist College, received a substantial funding boost with the introduction of the SES scheme (an increase of $555 per student this year compared with what would have been their entitlement under the previous scheme - DEST 2004c). The school is responding to Commonwealth-promoted 'league tables' of schools according to academic results (irrespective of what the students bring to learning in terms of prior schooling or family support or some measure of ability and aspirations). The school principal is reported to have written to parents saying that 'the recent focus on league tables has forced management to consider students who are not performing academically . . (that they) sit their TEE examinations privately and not under the banner of Camel Adventist College'. The article reported the WA education minister commenting, 'If one school's doing it, you can be sure others are doing it'.

This case illustrates that when some schools have not been able to choose perfectly at the time of initial enrolment, they do so when the student comes to sit their final exams. The parents and the students concerned have little choice.

Such cases are no aberration. They are inherent when part of a system, such as schooling, that is for many participants about 'positional goods' - the zero sum game of getting the official and unofficial school results to achieve the competitive university place, job or social status ahead of others. Markets and 'choice' (whether by schools or by parents/students) in such a situation operate to increase polarisation and lock out the losers - residualised schools and disadvantaged students. The *evidence* points to this, while the *rhetoric*, such as that on the DEST website and in ministerial statements, gives a contrary picture.

Ecological fallacy

Justification for the SES model for funding nongovernment schools is, in part, based on an 'ecological fallacy' (see Freedman 2001, though his concern is primarily with statistical methodologies in social science). In the DEST Q&A (DEST 2004a), the response to the question, 'How can we be sure that the SES model is better?' begins, 'SES-based methodologies for the distribution of funding have been widely used in education for some time'. However, use of SES-based methodologies have been for very different sorts of programs, notably the long-running Disadvantaged Schools Program (DSP), and the still operating Country Areas Program (CAP).

The ecological fallacy is apparent where funding or administrative arrangements directed to (or through) individuals falsely assume that the circumstances of the individual's locality (the individual's 'ecology') are significantly relevant to the individual's situation and thus entitlement.

Whether or not an ecological fallacy occurs depends on *specific empirical circumstances*. The ecological assumptions underlying DSP- and CAP-type programs are quite reasonable given the *facts* of both the nature of the programs, and who actually is affected by them. However, the SES model informs a very different funding program (general recurrent grants to nongovernment schools that generally enrol a minority of students in any locality), and those directly affected (generally higher SES than other families in their locality) are quite different.

The starkness of the fallacy as far as the SES model is concerned is illustrated by the frequent situation in rural Australia (see further discussion in following section), where, with the implementation of the SES model, the high wealth (and high income in most years) broad acre property owners' children's city boarding schools receive higher levels of Commonwealth funding because of the low SES of station hands and rural settlement dwellers in the same CD. Yet the very high fee schooling of the property owners' children that the SES scheme supports is a mechanism ensuring that there is *not* the sort of social mixing that would give some ecological validity to supporting those property owners' children's education because of the low SES of their neighbours. There would be ecological validity if the property owners' children attended a local school along-side their neighbours, as may occur at a primary school receiving CAP funding. The *separation* of higher SES students from their neighbours through attendance at nongovernment schools (and, sometimes, selective or specialist government schools) is common throughout Australia in localities from low to high SES, and involving nongovernment schools from low to high fee.

Thus any justification of the SES scheme on the basis of neighbourhood SES when it is recognised that the students concerned have a higher SES is quite invalid.

Corruptibility

One of the criticisms of the previous ERI system was that it was corrupted by schools disguising income and otherwise organising their finances to maximise the levels of public funding received.

This is delicately put on the DEST website on the SES Funding Arrangements for Non-Government Schools:

> The government's decision to abolish the Education Resources Index (ERI) was based on a major review which found that the ERI was . . . **manipulable** - schools could be relatively advantaged or disadvantaged depending on their familiarity with the ERI. . . . (DEST 2004, emphasis in original)

There is the obvious point that when other institutions, organisations or individuals engage in such practices to receive higher levels of public funds than they are legitimately entitled to or to reduce tax or other liabilities to governments, punitive action is taken, rather than changing the system so that the higher levels of funding can be more easily obtained.

The SES system seems to be open to similar corruptibility in at least one significant area. That is, the home addresses of students in the samples used to determine the SES score. Clearly schools have an incentive to record as 'home' the home of the many students with joint parenting arrangements or other multiple homes that is in the lower SES CD. Over time schools and parents will understand the significance of this, and, perhaps, the homes of grandparents or others, or perhaps a parent's work address, will be 'home' for the student if they are located in a lower SES CD than other options for the student's 'home'.

The is no mention in documentation I have seen (including the *Administrative Guidelines*, DEST 2004b) that 'residential address of parents' will be audited, and no guidelines regarding which address should be used where students have more than one home.

The 1998 Simulation Project report noted that if a school's catchment changes, 'the school could elect to 're-map' its community and obtain an updated SES score' (Steering Committee for the Simulation Project 1998, p. 50.). This is reflected in the current Administrative Guidelines, where, under the heading 'Review of Nongovernment Schools' SES Scores', it is stated that schools 'may seek a review' if they believe that their 'SES score has not been determined correctly', or 'their SES score is no longer accurate because of a significant change in the SES of the school's community'(DEST 2004b, p. 62). This implies that if a school's catchment changes to *higher* SES it is under no obligation 'seek' an updated SES score, and DEST will take no responsibility to ensure that schools' SES scores are or remain accurate according to the methodology. As funding is being maintained in real terms even if SES scores are over-estimated or increased this may not appear to be a major issue in practice. However, the position implicitly encourages schools to find ways (legitimate according to the scheme, such as actively recruiting students from low SES CDs who can afford the school's fees, or manipulable/corrupt such as selectively or falsely recording student addresses) of lowering their SES score and thus increasing the amount of public funds to which they are entitled. Such poor administrative policies should not be tolerated.

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6. Boarding allowances: largely funding high wealth rural students to attend high fee boarding schools at a high social cost

The terms of reference of this inquiry refer to 'the Government's schools funding package'. Payments to students, such as the Assistance to Isolated Children (AIC) boarding allowances, do not strictly come under the funding package. However, the significance of the program in terms of Australian Government financial expenditure and its effects are such that it has implications for the specific terms of reference (especially meeting needs and achieving the National Goals; quality and equity in public funding for government and non-government schools, promoting efficiency and effectiveness in the allocation of public funds for schooling, including effects on enrolment trends; the effectiveness of accountability arrangements).

I have attached a submission that I made in 1999 to the Human Rights and Equal Opportunity Commission's National Inquiry into Rural and Remote Education (Appendix 2). That submission contains some detailed arguments and supporting data regarding the impact of boarding on, and the costs for, rural and remote schooling and communities. While the data would require some up-dating, the analysis remains valid, I believe.

I focus on the negative aspects of the program, and I do recognise that there are genuinely deserving recipients, and in many cases the benefits outweigh the costs. However, the costs must be seriously and fully appreciated.

I characterise the boarding allowances component of the AIC scheme as follows:

- it is the most substantial Commonwealth program for rural schooling (excluding Indigenous education programs);
- it primarily supports attendance at high fee city (metropolitan and regional) independent boarding schools;
- boarding allowance recipients usually would attend those schools irrespective of the accessibility and quality of local country government schools (and local low fee nongovernment schools);
- 'isolation' may be a difficult description to sustain for many recipients (schools they have no trouble attending at age five are just blocks away from schools they are 'isolated' from at age twelve);
- there is no accountability for the program's indirect impact on rural schooling and rural communities, and public data about the scheme is limited.

The Commonwealth allocates almost twice as much nationally to boarding allowances as it does to the Country Areas Program (CAP). The 2004 Commonwealth budget estimate for expenditure on the AIC (most of which is for boarding allowances) in 2004-05 is $40,369,000, increasing to $43,575,000 in 2007-08. The 2004 annual unmeans-tested 'basic' allowance is $4,446. The means-tested 'additional' allowance is up to $1,043 (bringing the total to $5,489). There are around 12,000 recipients of the allowances.

The attached submission to HREOC outlines the historical background to the program, and considers the financial and other costs to rural education and communities of the practice of boarding in general and the AIC scheme boarding allowances in particular.

Three categories of boarders

There are three categories of boarders that must be taken into account in any consideration of the AIC boarding allowances program in terms of this inquiry's terms of reference ('quality and equity in public funding for government and non-government schools . . . . efficiency and effectiveness in the allocation of public funds for schooling . . . . effectiveness of accountability arrangements').

First, where the availability of the allowances do not change decisions to send children to boarding school, the effect of the program itself must simply be evaluated in terms of whether the level of funds made available is a fair and equitable allocation of scarce public resources. It is clear that the generous eligibility criteria (see below) means that many recipients have ready access to local schools (government and, often, low fee nongovernment), and thus the public is simply financially supporting a choice to attend a high fee nongovernment boarding school. The magnitude of this support is well over half the total cost of providing a place at a rural government school, and is in addition to other public funding (Commonwealth and state, including taxation expenditures) of the boarding school attended. For example, a secondary student boarding at The Kings School or similar high fee nongovernment boarding school (as a choice over attending a local government high school) and who is 16 kilometres from the local high school, and 4.5 kilometres from the local school bus route, would receive at least $7,750 in federal and state funding (excluding taxation expenditures on building fund donations, etc). This is comparable with the average marginal cost of a place at a government school (the average total cost is higher). (Relevant terms of reference: 'efficiency and effectiveness in the allocation of public funds for schooling'.)

Second, where the boarding allowance does facilitate attendance at a city boarding school that might not otherwise be attended (instead a local day school or close by boarding school), then the AIC is undermining the quality of rural schooling and rural economies, society and culture. The manifestations and magnitudes of this are discussed in the submission (Appendix 2). There are substantial, if indirect, costs of boarding school attendance by rural students - whether or not boarding allowances are received or make a difference to school attended. (Relevant terms of reference: meet school needs, achieve National Goals, efficiency and effectiveness in allocation of public funds to schooling, effects on enrolment trends.)

Third, the boarding allowances cannot be utilised if there are no appropriate, accessible and affordable boarding institutions. If there are no such institutions and students are genuinely isolated their options are distance education (including secondary distance education at a primary school site, or similar), second homes or early school leaving. While major school authorities (especially, but not only, government school authorities) have a responsibility for providing such institutions, Commonwealth policies could facilitate such provision, or make it more difficult. If the Commonwealth equally supports (at a rate of over $4,446 per student per year) attendance at a *rural* boarding school/hostel or a *city* boarding school, then school authority provision (actual or potential) for rural institutions is undermined. A comparison between NSW and Western Australia is revealing. The data in Table 6.1 are for two years ago, but I expect there has been little change. In Western Australia there is a network of public sector rural hostels that provide access to rural schools for isolated children who are not high income (that is, whose families cannot afford fees and related expenses in the order of $20,000-plus per child per year.) In NSW there is no such a network, and there are few low and medium fee boarding schools. Thus, in Western Australia relative to NSW, a higher proportion of AIC recipients receive support for boarding allowances rather than distance education or a second home (where support is at a much lower rate than boarding allowances), and in NSW a much smaller proportion of those who receive boarding allowances are eligible for the means-tested 'additional' payment. The difference between the two states is greatest at the primary level - in NSW 61.1 per cent of

primary AIC recipients are in distance education, while in Western Australia only 48.1 per cent of primary AIC recipients are in distance education. (Relevant terms of reference: especially 'the role of the Australian Government, particularly in partnership with state and territory governments, for quality and equity in public funding for government and nongovernment schools'.)

As noted in the submission to HREOC, the dynamics (often vicious circles) supporting such patterns of schooling are very difficult to break. The longer time goes on the more entrenched they may become. It is nearly 17 years since the Commonwealth Schools Commission (1987) reported on many of the problems I have raised here, and recommended support for rural hostels that are financially accessible, close to students' homes, and part of rural economic, cultural and social life. I suggest that the Senate consider that report and its recommendations regarding Commonwealth schools programs that impact rural schooling.

Table 6.1. Recipients of Assistance to Isolated Children (AIC) scheme allowances, NSW and WA, April 2002

	Number of recipients of allowances as a percentage of recipients of all allowances, NSW primary and secondary levels, and WA primary and secondary levels						'Additional' boarding allowance recipients as % of all boarding allowance recipients
	Additional Boarding	Basic Boarding	*Total Boarding*	Distance Education	Second Home	TOTAL	
NSW primary	2.9%	15.5%	*18.4%*	61.1%	20.4%	452 (100%)	15.7%
NSW secondary	16.0%	69.2%	*85.2%*	8.8%	6.0%	2210 (100%)	18.8%
WA primary	9.4%	27.3%	*36.7%*	48.2%	14.5%	392 (100%)	25.7%
WA secondary	20.1%	68.9%	*89.0%*	4.8%	6.1%	2949 (100%)	22.6%

Source: DEST

Boarding allowance eligibility issues

There are two points related to eligibility for the allowances (these are not discussed in the HREOC submission).

First, eligibility is very generous. The criterion most applicable to many recipients is Rule 2:

> The distance between the principal family home and the nearest appropriate government school (via the shortest practicable route) is at least 16 kilometres AND the distance between the principal family home and the nearest available transport service to the nearest appropriate government school is at least 4.5 kilometres via the shortest practicable route. Source: DEST, *Assistance for Isolated Children Scheme 2004 Policy Manual,* viewed 22 June 2004, <http://www.dest.gov.au/schools/guidelines/aic/2004/Part4/4-2.htm>

Such distances are very common throughout rural areas. Many recipients of boarding allowances have no difficulty attending primary school, but when they attain secondary school age they become 'isolated' and incapable of catching the bus they took to school from age five. For families with the resources to attend boarding schools, organising transport for five kilometres or so to catch the school bus is a minor inconvenience. For those for whom it is a genuine case of

isolation (for example, station hands' families without access to vehicles at the appropriate times of the day, or low income residents of rural villages without an appropriate bus service), attending a boarding school would be financially out of reach, even with the full allowance.

This points to the second issue: boarding allowance recipients have a vested interest in ensuring that school bus routes do not undermine their eligibility for the allowances. The families that send their children to boarding schools are often community leaders, and may be very active in local schooling issues while their children are at primary school, including on committees to consider bus routes, where their conflict of interest is not apparent to others. Contrary to the historic position of broad acre farm owners preferring (other things being equal) station hands and farm managers on their own and neighbouring properties with school age children, now they often have a financial interest in ensuring that there are not additional school age children who would result in the locality being serviced by a school bus route. All this is contrary to the interests of lower income families on properties and in rural villages and towns.

Reference

Commonwealth Schools Commission 1987, *Schooling in Rural Australia,* Curriculum Development Centre, Canberra.

7. Rhetoric-based or evidence-based policy on teachers?

The adequate supply of teachers (both quality and quantity) is relevant to the first term of reference of this inquiry: 'the capacity of all schools to meet current and future school needs', though it is not centrally part of the schools funding package.

Commonwealth policy has tended to be strong on rhetoric but weak on evidence. There are strong similarities between the circumstances of nurse and teacher demand, supply and professional preparation (though the situation for nursing appears far more serious).

I have written elsewhere on the teaching workforce and the teaching labour market - how they have developed over a half century and are likely to develop over the coming decade (for example, Preston 2000, 2002, 2003a, 2003b).

Here I will just consider two central problems with the Commonwealth's approach. First, there are significant shortcomings in the estimation of the magnitude of requirements (future shortages) and the connections between those estimations and policy. Second, significant aspects of policy are poorly informed and likely to be counter-productive.

In August 2003 the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) published its third biennial report on teacher supply and demand, *Demand and Supply of Primary and Secondary Teachers in Australia* (MCEETYA 2003). While the report contains some interesting and potentially useful discrete sets of data and analysis it does not actually provide coherent, comprehensive and comparable projections of supply and demand. In other words there are not projections of balance, shortage or surplus on which well-niformed policy can be based. To be most useful this needs to be done according to State, and for primary and secondary separately.

Where there are clear preferred estimates of factors such as future teacher numbers they are similar to those in Preston (2000) (though teacher number projections are provided in the MCEETYA document as full time equivalents, but, to be comparable with graduate numbers, 'persons' is appropriate, not FTE). Very widely varying estimates of (net) separations are made, without clear conclusions as to probabilities. Assessments of graduate numbers are based on DEST commencements and completions data to 2001. The data is problematic because there are course misclassifications and a significant number of courses that enrol both primary and secondary teacher education students (and EC and AVET). The document does not refer to the unsustainability of the substantial over-enrolments that were a factor in the reported increase in enrolments.

The State and Territory analyses (pp. 79 - 87) compare projected total teacher numbers with graduate numbers (the 'training rate'), with no indication of estimated replacement requirements (which can be expected to vary significantly between the states and between primary and secondary because of very different age profiles, thus different separation rates and thus replacement requirements) - this is recognised as a problem (p. 87).

The national conclusions for the period up to 2005 are sanguine (pp. 87-89).

There is some useful discussion about the period to 2012, especially regarding the likely retirement rate of about 4 per cent of the workforce (10,000 teachers) each year from 2008 to 2012, to which losses from resignations need to be added (pp. 94-95). Secondary student enrolments are projected to rise slightly then fall back to 2001 levels, and primary enrolments are projected to fall by about 0.65 per cent a year through the period to 2012. The document projects purported current levels of about 7,500 to 8,800 graduates entering the teaching labour market a year (p. 95) - clearly an inadequate number by around 4,000 to 6,000 a year if there is no significant change in staffing levels. However, earlier in the report the figures of 11,000 teacher

education completions in 2000 and 14,000 in 2001 were cited (p. 55) - 12,000-13,000 is a reasonable approximation for the period, taking account of other sources such as Preston 2000 p. 59, from which the 10-15 per cent not available or suitable in subsequent years needs to be subtracted, leaving around 11,000 - though future numbers are quite uncertain. Thus the shortfall may be less than around 4,000, though that figure seems a reasonable estimate on available data (but see later regarding possible/likely reductions in primary teacher education completions, based on information available since the completion of the MCEETYA report).

The MCEETYA report concludes that:

> The data available suggest that in the period ahead (post-2004) Australia is likely to face increasing shortages of teachers due to age-based retirement. The extent of the shortfall will depend on the success of policy initiatives to attract and retain teachers. Workforce planning to target potential sources of teachers and training those people to become teachers will also be important. Retraining those teachers qualified in areas of greater supply so that they can teach in areas of greater demand is another issue that workforce planners may need to consider. Depending on the success of such initiatives shortages of possibly up to 20,000 to 30,000 teachers are estimated later in the decade. The shortages seem likely to be most pronounced in certain secondary teaching specialisations as well as in remote and rural locations and difficult-to-staff metropolitan schools. (p. 97)

There are several important aspects to this statement. First the discussion of strategies focuses on initial teacher education and retraining, though a general statement is made about the importance of retention initiatives. This is all quite reasonable. Second, the final sentence about differential impact of shortages is an important reminder of what is, in large part, a truism.

Finally, and most importantly, the estimated shortages of 20,000 to 30,000 (midpoint: 25,000) later in the decade is highly questionable. It is not clear from whence the figures arise. As noted earlier, the analysis indicates projected possible shortages of 4,000 to 6,000 a year, which is a reasonable estimate, even if a little high based on other data provided in the report. Shortages can be largely cumulative, and if there is no sustainable response to a shortage of 4,000 it will be added to that of the following year. However, it is quite unrealistic to assume no element of sustainability in responses to shortages of around 4,000 - especially if they have accumulated to shortages of around 8,000. To accumulate shortages to more than 20,000 would be extraordinary in a democracy where preventative strategies (such as increasing student places and making the profession more attractive, and aggressive recruitment campaigns) are quite feasible.

Currently there are around 250,000 Australian school teachers and around 12,000 teacher education graduates a year. *A shortage of 25,000 is 10 per cent of the total teaching workforce, and twice the annual number of graduates.*

It is the sort of figure that, if taken seriously, would result in very substantial and urgent action to ensure that it did not occur - a doubling of teacher education intakes, for example (a tripling would be necessary to fully meet a shortfall of 25,000).

Clearly the figure is not being taken seriously. Yet it has been taken up in several significant places. It is cited in the Commonwealth's *Review of Teaching and Teacher Education* (Lee Dow 2003, Main Report, p. 94, Agenda for Action p. 16), and the Minister said on the release of the report (9 October 2003):

> Although the report finds that teacher supply and demand is [sic] broadly in balance across the nation this year . . . it estimates that there could be an overall shortage of up to 30,000 teachers by the end of the decade if the high rate of teacher resignations and retirements continues unchecked. (Nelson 2003)

(As noted above, the MCEETYA report refers to initial teacher education and retraining as significant strategies to avoid the shortage, with only brief reference to initiatives to 'retain teachers'.)

While there have been some welcome initiatives from the Government in response to the Review report, they are not of the scale to respond to projected shortfalls of up to 30,000. And there seems to be little concern with the significant turmoil engulfing a number of large initial teacher education programs (see below). Thus the '20,000 to 30,000' needs to be seen as rhetoric (at best).

It is an indication of very poor policy processes. I do not know whether this has been a result of

- a *lack of expertise* throughout the school authorities which were involved in the MCEETYA project; the Review Committee, its staff, reference committee and consultants; DEST; and the Minister's office
- *relevant personnel not being involved* in the processes, or being too busy to provide considered input
- a reluctance to make critical comments regarding the work of others, or other (more subtle) manifestations of *'group think'* (see section 1).

Whatever the explanation, the result indicates very *poor management of the policy process*.

Poor policy processes also appear to be the case in policy related to initial teacher education funding.

The government has capped HECS levels for initial teacher and nurse education while most universities are increasing HECS for all other courses - usually by the maximum allowed 25 per cent. While I do not agree with the general increases in HECS levels and related decisions, the capping of HECS for these two professions has little justification and is proving counter-productive.

The decision appears to be based on a belief that demand for such courses is relatively low, and thus the lower rate is necessary to ensure adequacy of student demand. Yet the low demand of the late 1980s to late 1990s is long past. This has been well reported in the media for some years, and recent AVCC data makes the situation very clear. Unmet demand for undergraduate initial teacher education places is much higher than for the average of all undergraduate courses in Australian universities. In 2004 40 per cent of eligible applicants for undergraduate teacher education programs did not receive an offer of a place. This compares with 28 per cent of applicants for all undergraduate courses not receiving an offer in 2004. In contrast, in 1997 18 per cent of eligible teacher education applicants did not receive an offer, while 22 per cent of all undergraduate applicants did not receive an offer (AVCC 2004, Table 8). Thus capped HECS is unnecessary as an incentive for student demand.

The real impact of the capped HECS is on the levels of resources available to initial teacher education and the financial pressures within universities. This is becoming apparent in several ways

- faculties of education (and schools of teacher education) are without the resources to provide high quality teacher education programs - student-teacher ratios are very high, necessary positions are not being filled, resulting in important gaps in expertise as well as overwork of existing staff, and so on. This can only become worse over coming years.
- some universities that are in a position to do so are considering significantly reducing initial teacher and/or nurse education programs. The decision by Sydney University to end its undergraduate nurse education program, apparently in part because of the low financial return because of capped HECS, is a clear example. (Note that Sydney University incorporated what had been the most significant initial nurse education institution in NSW, the Cumberland College of Health Sciences, as well as the Institute of Nursing Studies at the former Sydney College of Advanced Education.)

- many universities are reducing or eliminating undergraduate initial teacher education programs, usually expanding graduate initial teacher education programs, but often simply significantly reducing primary initial teacher education intakes. This has serious implications for both the quality and quantity of the future of the primary and early childhood teaching workforces. While the life experiences and specialist expertise of primary teachers who have completed a one or two year graduate professional preparation program contribute to the richness of the profession, it is important that a continuing high proportion of entering primary and early childhood teachers have a comprehensive preparation across all relevant areas of professional competency, and this generally requires a full four years of specific professional preparation.

Poorly resourced courses, rejection of the field of professional preparation by high status institutions, and the general view of initial teacher education as the program for those students without the financial resources to get into something more desirable, will, over time, lower the status and attractiveness of initial teacher education and of the teaching profession. This point has been eloquently made by the President and Executive Officer of the Australian Council of Deans of Education, Mary Kalantzis and Andrew Harvey, in an article in Campus Review (Kalantzis & Harvey 2004), and by others such as Simon Marginson, director of the Monash University Centre for Research in International Education (Cervini 2004).

There have been some very welcome increases in intakes into graduate secondary teacher education programs for shortage specialisations such as science. However, the severe intake reductions that have occurred or are being considered in primary initial teacher education programs, which are consistent with the developments noted above, may be most significant in overall teacher shortages over the coming years.

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Appendix 1.

The social make-up of schools

Family income, religion, Indigenous status, and family type in government, Catholic and other nongovernment schools

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1. Introduction

This paper is based on Australian Bureau of Statistics Census 2001 custom tables of the populations of (a) all school students, (b) Indigenous school students and (c) school students in one parent families, in primary and secondary schools in the government, Catholic and other nongovernment sectors, by family income and (in part) religion.

This is broad-brush data on the social make-up of schools in the different sectors, and, in some cases, different States and Territories. Such data is vitally important for the development of good policy on many aspects of schooling, because it is widely recognised that matters such as family income, Indigenous status and family type have an impact on the qualitative and quantitative educational needs of students, and thus of schools and sectors. Data on matters such as religion (especially in combination with family income) inform understandings of the social roles of different school sectors, and thus can inform the policies of school authorities, governments, and others.

There is, of course, great diversity within the school sectors in the States and Territories - there is variation between schools and within schools. However, the macro-level data reported here is relevant to a range of significant national and State/Territory level policies concerned with the administration and funding of schools, and can provide indications of where more investigation may be needed to better inform other policies.

Policy conclusions are beyond the scope of this report. To draw out policy conclusions requires positions on ends and values, and, generally, further relevant information (evidence).

Under each of the following headings there is commentary, tables and graphs. Box 1.1 provides details of the Census definitions and the particular categories used in this paper.

School type and family income of students

This section looks at the school sectors (government, Catholic and other nongovernment at both primary and secondary levels) in terms of the proportions of their students who are in families with low, medium and high incomes. Details for each of the States and Territories are provided, and comparisons made between and within States and Territories.

Family income and school type attended

This section looks at children in families in different income ranges (low medium and high) in terms of the type of school attended (government, Catholic and other nongovernment) at primary and secondary levels.

Religion, family income and type of school attended

This section looks at children of different religions (Catholic, nonCatholic or no religion, and Islamic) in families in different income ranges (low, medium and high) in terms of the type of school attended (government, Catholic and other nongovernment) at primary and secondary levels.

Indigenous and all primary and secondary students, by family income

This section looks at Indigenous and all students at the primary and secondary levels in each State and Territory according to family income. In this and following sections five family income ranges are used. The ‘low’ range used in the previous sections is subdivided into three, and the ‘medium’ and ‘high’ ranges remain the same.

School type and Indigenous status of students, by family income

This section looks first at the proportion of all primary and secondary students in each income range and all ranges, in each school sector and all sectors, who are Indigenous. Data is then provided on the proportion of all Indigenous students in each school sector at primary and secondary levels who are in each family income range.

Indigenous students, family income, religion and type of school attended

In this section there is data for Australia and each State and Territory on the percentages of Indigenous primary and secondary students in each family income range who attend government, Catholic or other nongovernment schools. Similar data is then provided for Australia as a whole for Indigenous students of Catholic religion, nonCatholic religion (and no religion), and all Indigenous students.

Students in one parent families and all primary and secondary students, by family income

This section looks at students in one parent families and all students at the primary and secondary levels in each State and Territory according to family income. As with the data on Indigenous students, five family income ranges are used, with the 'low' range divided into three.

Students in one parent families, family income, and type of school attended

In this section there is data for Australia on the percentages of primary and secondary students in one parent families in each family income range who attend government, Catholic or other nongovernment schools.

Summary comparisons between different groups

In this section there is data on the percentages attending government primary or secondary schools of (a) all students (b) Indigenous students and (c) students in one parent families in each of the five family income ranges.

Box 1.1. Data and definitions

The data in this report is from Australian Bureau of Statistics 2001 Census, custom tables. Further information on definitions is available in the ABS *2001 Census Dictionary* (Cat. No. 2901.0) <http://www.abs.gov.au/Ausstats/abs%40.nsf/66f306f503e529a5ca25697e0017661f/5d885de7659d4c8cca256a3800008ef3!OpenDocument>

School type is according to the Census classifications (TYPP, categories 02 to 07)): Government infants/primary, Catholic infants/primary, and Other nonGovernment infants/primary, Government secondary, Catholic secondary, and Other nonGovernment secondary. All school children for whom useable responses regarding school type and family income (see following) were provided on Census night in August 2001 are included in the data. The total number of students in these custom tables compared with the total number reported in the ABS *2001 Schools Australia* (Cat. No. 4221.0, p. 13) is 81% at the primary level and 72% at the secondary level. This is generally adequate for the level of analysis in this report.

Family income (FINF, various combinations of categories 1 to 18) is the combined annual income of students' family members as reported on Census night. Usually this is parents' income, but may include the income of siblings and other immediate family members who are part of the household. ABS provides family income data according to 16 income ranges (plus other categories such as negative and nil income, and not stated). For this report the incomes are classified into 'low' (less than $800 a week), 'medium' (between $800 and $1499 a week) and 'high' ($1500 and over a week) income ranges. For secondary students around one third are in each of the three categories, while at the primary level a larger proportion are in the low income category and a smaller proportion in the high income category (this is because parents tend to be younger and in earlier stages of their careers, and mothers are more likely to be working fewer hours or not be in the workforce). Thus analyses of the primary level need to take account of the higher proportion in the low family income range than in the high family income range, and comparisons between primary and secondary levels need to take account of the larger proportion overall of low family income students at the primary level. In addition to the three main classifications used consistently throughout the report, for analyses involving Indigenous students and students in single parent families the 'low' income category is further divided into three: less than $400 a week, between $400 and $599, and $600 to 799. The family income range of less than $400 a week in 2001 includes most one parent families wholly dependent on public benefits. The family income range of $400-$599 includes most two parent families wholly dependent on public benefits. Large families on benefits may have higher family incomes.

Religion (RELP, category 207 for 'Catholic', category 4 for 'Islam', and all others) focuses on those students whose religion was reported as 'Christianity, Catholic' or 'Islam' and all others (other religions, no religion, not stated)

Indigenous students (INGP) are those students who were reported to be 'Aboriginal', 'Torres Strait Islander' or 'Both Aboriginal and Torres Strait Islander'. Adequate information was not provided for all Indigenous school students on Census night (for example, data on school type or family income may have been missing), however the total number of Indigenous students in these custom tables compared with the total number reported in the ABS *2001 Schools Australia* (Cat. No. 4221.0, p.21) is 75% at the primary level and 67% at the secondary level.

Students in ***One Parent Families*** (FMTF category 3) include all students reported to be in one parent families, whatever the dependent status of children in the family, and whether or not there are other relatives in the family household.

2. School type and family income of students

The three major schooling sectors in Australia greatly differ in the patterns of family incomes of their students.

The Australian Bureau of Statistics (ABS) provides 2001 Census data on the type of school attended by primary and secondary school students (government, Catholic or other nongovernment) and the family income ranges of students. Family income can be classified into 'low', 'medium' and 'high' ranges, in each of which about one third of secondary students are classified (primary students' families tend to be lower income) - see Box 1.1 for a discussion of classifications.

Table 2.1 Percentage of students in each of Australian government, Catholic and other nongovernment primary, secondary and all schools with low, medium or high family incomes, 2001

	Family income			
	Low <$800	Medium $800-$1499	High >$1500	All income levels
Primary schools				
Government	44%	37%	20%	100%
Catholic	29%	41%	31%	100%
Other nongovernment	27%	32%	41%	100%
All primary schools	39%	37%	24%	100%
Secondary schools				
Government	40%	37%	23%	100%
Catholic	24%	37%	39%	100%
Other nongovernment	20%	28%	52%	100%
All secondary schools	34%	36%	31%	100%
All schools				
Government	42%	37%	21%	100%
Catholic	27%	39%	34%	100%
Other nongovernment	23%	30%	47%	100%
All schools	37%	36%	26%	100%

Table 2.1 and Figure 2.1 provide details for Australia as a whole.

At both primary and secondary levels, government schools have a large proportion of students in low income families, while both Catholic and other nongovernment schools have a small proportion of their students in low income families.

In government schools 42 per cent of students are in low income families. In contrast, in Catholic schools, only 27 per cent of students are in low income families, and in other nongovernment secondary schools only 23 per cent of students are in low income families.

The three school types also diverge in the proportion of their students who are in high income families - government schools have a small proportion, nonCatholic nongovernment schools a large proportion, and Catholic schools are between them.

In government schools only 21 per cent of students are in high income families. In contrast, in Catholic schools, 34 per cent of students are in high income families, and in other nongovernment schools 47 per cent of students are in high income families.

The pattern is most pronounced at the secondary level. More than half the students in nonCatholic nongovernment secondary schools are in high income families, while in government schools less than one quarter are in high income families.

Data for all schools (primary and secondary combined) for each sector in each State and Territory are provided in Table 2.2. This table also provides statistics on the actual and standardised ratios between the percentage of students in low and high income families for each sector. The standardised ratios facilitate comparisons between school sectors *within* each State and Territory. The nature of these ratios is described in Box 2.1.

Three States - **Tasmania, South Australia** and **Queensland** - have a significantly higher percentage of students (in all school sectors) in low income families - respectively 46 per cent, 41 per cent and 41 percent, while the national figure is 37 per cent. There is a striking pattern for these three States apparent from the standardised ratios of percentages of students in low compared to high income families. *Government schools* in these three States have the *highest* percentages of students in low compared with high income families even when the ratios for the States as a whole (all school sectors) are standardised to 1.0 (1.6, 1.5 and 1.6 respectively, compared with a national ratio for the government school sector of 1.4). Conversely, the *Catholic* sectors have the *lowest* percentages of students in low compared with high income families (0.5, 0.5 and 0.4 respectively, compared with the national ratio for the Catholic sector of 0.6). The small size of the nonCatholic nongovernment sectors, and the closeness to the national standardised ratio of 0.3 in these three States, indicates that the nonCatholic nongovernment sectors made little, if any, contribution to the pattern of the government sectors having disproportionately (compared with other States and Territories) large percentages of students in low compared to high income families. That is, though the make-up of nonCatholic nongovernment schools in all States has a significant reciprocating effect on the make-up of government schools, the effect is not more marked in these three States, while the reciprocating effect of the Catholic sector is much greater in these three States compared with other States and Territories.

In summary: in the three lowest family income States (Tasmania, South Australia and Queensland), if the overall family income differences between States and Territories is controlled, the government sector has a particularly high proportion of students in low income families, and a low proportion of students in high income families. The reverse is the case for the Cathiolic sector.

Victoria is not a low income State, but it has a high standardised ratio of the percentage of government school students in low compared with high income families (1.5, compared with the national ratio of 1.4). In Victoria the ratio for the Catholic sector is higher than the national figure (0.7 compared with 0.6), but the large nonCatholic nongovernment sector is lower than the national figure (both 0.3 after rounding). Thus it appears that it is the nonCatholic nongovernment sector's particularly low proportion of students in low compared with high income families that is the reciprocal (balance) the government sector's high proportion of students in low compared with high income families, with the Catholic sector slightly ameliorating the differences (though the Catholic sector still has a higher percentage of students in low compared with high income families).

Box 2.1. Notes on ratios in Table 2.2

Ratio low to high family income. This statistic is the simple ratio of the percentage of students in the sector of that row (for example, NSW government schools in the top row) who are in low income families relative to the proportion who are in high income families (students in medium income families are excluded from the calculation). If the number is 1.0, then there is an equal percentage in each of the two extreme income categories. Where the number is greater than 1.0 there is a higher percentage of students in low income families, and where the number is less than 1.0 there is a higher percentage of students in high income families.

The statistic for 'all schools' in each State and Territory indicates the overall relative percentages of students in low compared with high income families. Nationally the statistic of 1.4 indicates that there is a higher percentage of students from low income families relative to the percentage from high income families. This is explained in Box A, and the data in Table 1.1 indicates that though there are similar percentages of secondary students in the low and high family income ranges, at the primary level a much higher percentage are from low income families. Thus, for all students (primary and secondary together), there is a higher proportion from low income families. Those States with a substantially greater than national ratio of the percentage of students from low income families relative to high income families (ratios greater than 1.5) are Tasmania (2.7), South Australia (2.0) and Queensland (1.9). Those Territories and States with a less than national ratio of the percentage of students from low income families relative to high income families (ratios less than 1.4) are the ACT (0.5), NSW (1.2) and Victoria (1.3).

From this ratio we can deduce those particular sectors with very high percentages of students from low income families compared with the percentages from high income families. Nationally government schools have twice the percentage of students from low income families compared with those from high income families (2.0). All government school sectors except that in the ACT, and no Catholic or other nongovernment school sectors, have ratios above the national average for all schools in all sectors of 1.4. The highest ratios (and thus the highest percentages of students from low income families and the lowest proportions from high income families) are the government school sectors in Tasmania (4.3), South Australia and Queensland (both 2.9), and Western Australia (2.1). In contrast, in both the Catholic and other nongovernment school sectors there are lower percentages of students in low income families than in high income families (ratios of 0.8 and 0.5 respectively).

Ratio to 'all schools', low to high family income. This statistic controls for the differences between States and Territories in the percentages of students with low and high family incomes, and standardises (equalises) the percentage of all students in each State and Territory with both low and high family incomes. Thus the ratio for 'all schools' in each State and Territory is 1.0.

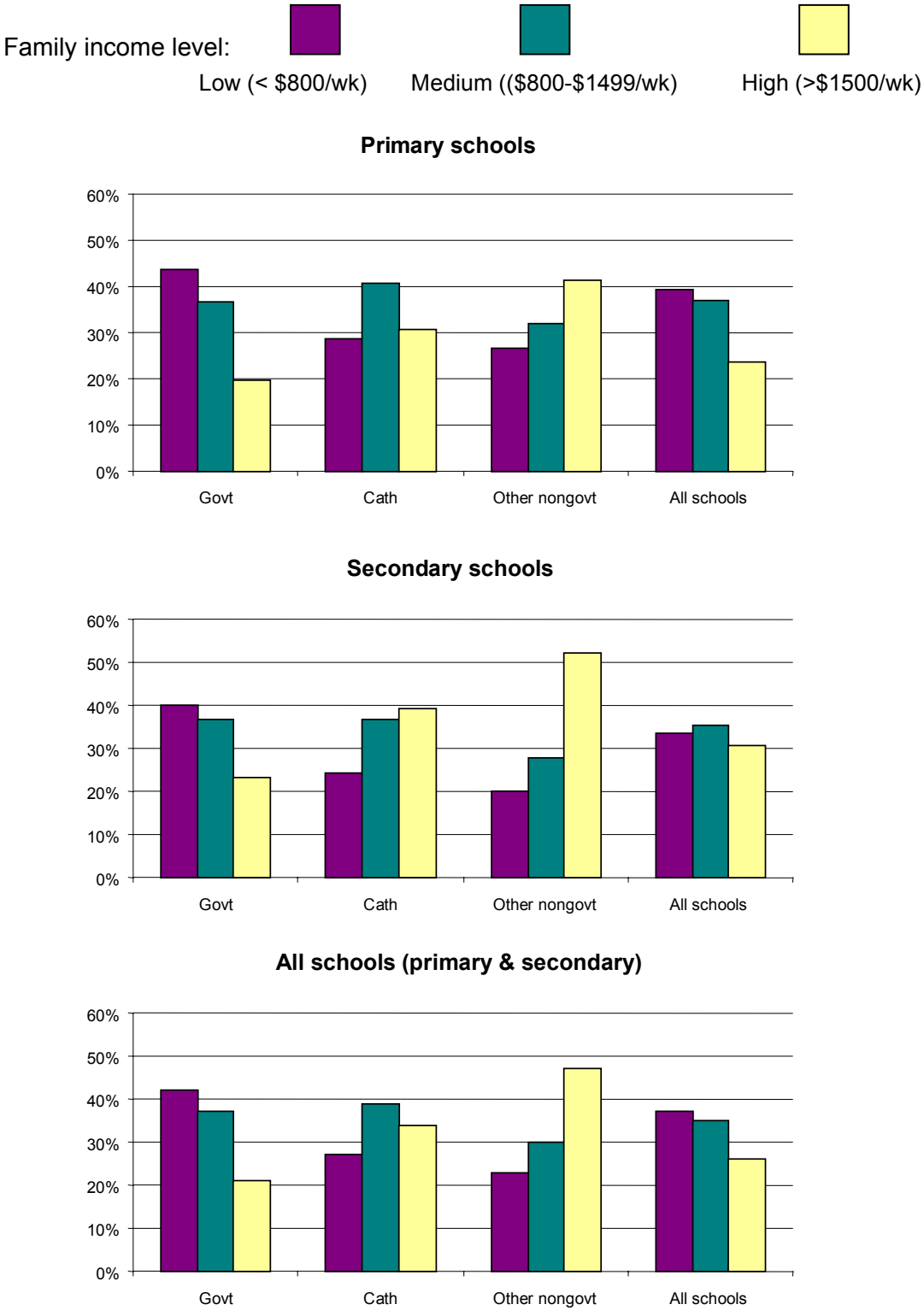
This facilitates comparisons between school sectors *within* each State and Territory. The largest standardised percentages of students in low relative to high income families are in the government sectors in Queensland, Tasmania (both 1.6), South Australia and Victoria (both 1.5). Those States where the Catholic sector has the smallest standardised percentages of students in low relative to high income families are Queensland (0.4), South Australia and Tasmania (both 0.5). Those States where the nonCatholic nongovernment sector has the smallest standardised percentages of students in low relative to high income families are Queensland, Tasmania and Victoria (all 0.3).

Table 2.2 Percentage of students in each of government, Catholic and other nongovernment schools, with low, medium or high family incomes, States and Territories, 2001

		Family income			Ratio low to high family income*	Ratio to all schools, low to high family income*
		Low <$800	Medium $800-$1499	High >$1500		
NSW schools	Government	41%	35%	24%	1.7	1.4
	Catholic	26%	37%	37%	0.7	0.6
	Other nongovernment	22%	27%	51%	0.4	0.4
	All NSW schools	36%	35%	30%	1.2	1.0
Vic. schools	Government	40%	38%	22%	1.8	1.5
	Catholic	28%	40%	31%	0.9	0.7
	Other nongovernment	21%	27%	52%	0.4	0.3
	All Victorian schools	35%	37%	28%	1.3	1.0
Qld schools	Government	47%	37%	16%	2.9	1.6
	Catholic	26%	40%	33%	0.8	0.4
	Other nongovernment	26%	34%	40%	0.7	0.3
	All Qld schools	41%	37%	22%	1.9	1.0
WA schools	Government	42%	38%	20%	2.1	1.4
	Catholic	27%	40%	33%	0.8	0.6
	Other nongovernment	25%	32%	43%	0.6	0.4
	All WA schools	37%	38%	25%	1.5	1.0
SA schools	Government	47%	38%	16%	2.9	1.5
	Catholic	30%	42%	28%	1.1	0.5
	Other nongovernment	27%	35%	37%	0.7	0.4
	All SA schools	41%	38%	21%	2.0	1.0
Tas schools	Government	52%	36%	12%	4.3	1.6
	Catholic	31%	44%	25%	1.2	0.5
	Other nongovernment	28%	33%	39%	0.7	0.3
	All Tasmanian schools	46%	37%	17%	2.7	1.0
NT schools	Government	42%	33%	25%	1.7	1.2
	Catholic	30%	32%	38%	0.8	0.6
	Other nongovernment	23%	30%	47%	0.5	0.4
	All NT schools	39%	33%	28%	1.4	1.0
ACT schools	Government	27%	33%	39%	0.7	1.4
	Catholic	16%	33%	51%	0.3	0.6
	Other nongovernment	12%	23%	65%	0.2	0.4
	All ACT schools	23%	32%	45%	0.5	1.0
Australian schools	Government	42%	37%	21%	2.0	1.4
	Catholic	27%	39%	34%	0.8	0.6
	Other nongovernment	23%	30%	47%	0.5	0.3
	All Australian schools	37%	36%	26%	1.4	1.0

* See explanation in Box 2.1.

Figure 2.1. Percentage of students in each of Australian government, Catholic and other nongovernment primary and secondary schools with low, medium or high family incomes, 2001



3. Family income and school type attended

Children in families in different income ranges have very different patterns in the type of school attended.

The majority of primary school students in all family income ranges attend government schools. However, 80 per cent of primary students with low family incomes attend government schools, while fewer than 60 per cent of primary students in high income families attend government schools.

At the secondary level the difference between the income groups is even more marked. While more than three quarters of secondary students in low income families attend government schools, fewer than half of the secondary students in high income families attend government schools.

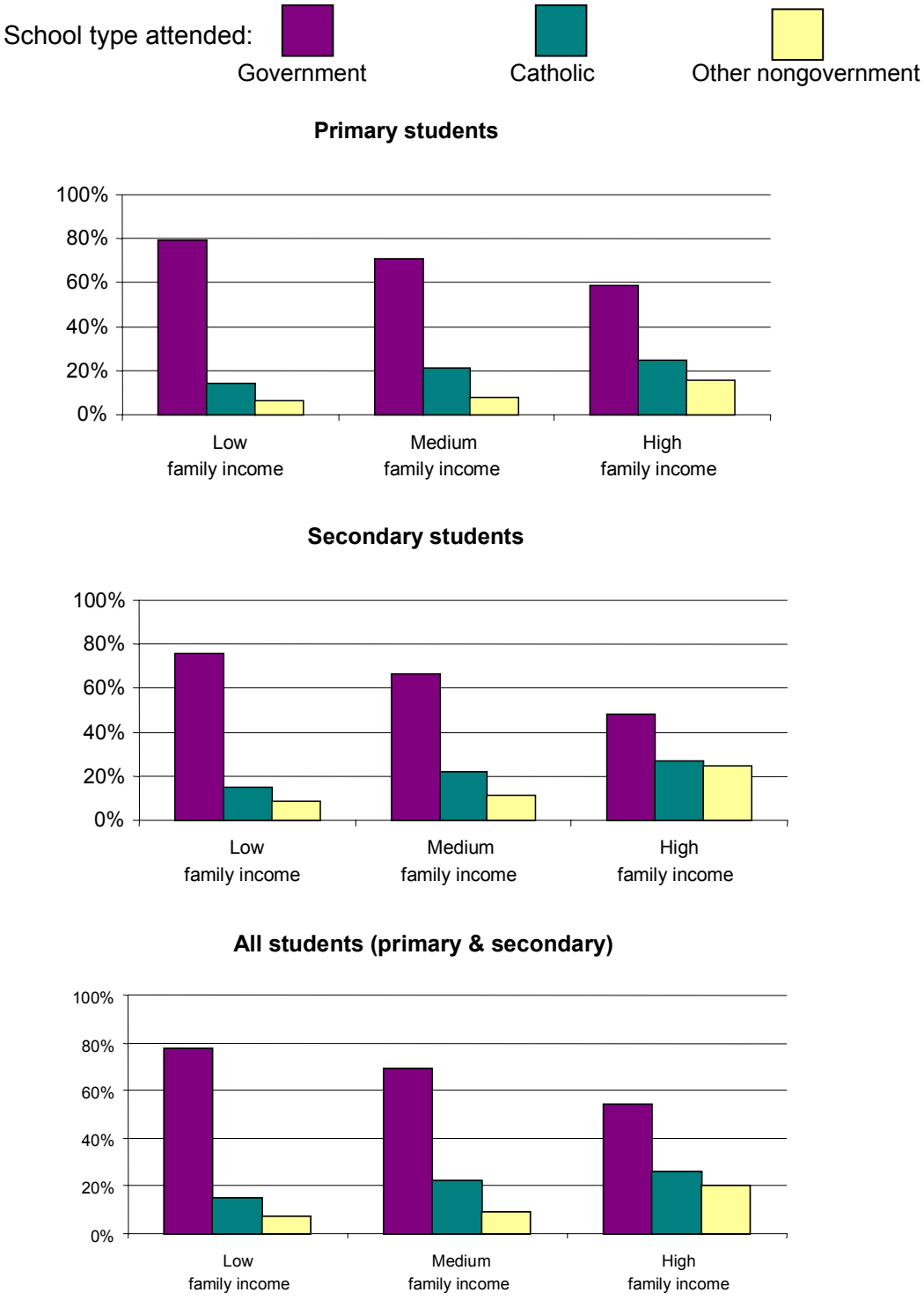
Attendance at both Catholic and other nongovernment schools shows a reverse pattern, which is more pronounced for nonCatholic nongovernment schools, and at the secondary level. While fewer than 10 per cent of secondary student children in low income families attend nonCatholic nongovernment schools, a quarter of secondary student children in high income families attend nonCatholic nongovernment schools.

Table 3.1 and Figure 3.1 provide details.

Table 3.1 Percentage of Australian primary, secondary and all school children in each family income range who attend government, Catholic or other nongovernment schools, 2001

	Low family income <$800	Medium family income $800-$1499	High family income >$1500	All family income ranges
Type of school attended by primary students				
Government	80%	71%	59%	72%
Catholic	14%	21%	25%	19%
Other nongovernment	6%	8%	16%	9%
All primary schools	100%	100%	100%	100%
Type of school attended by secondary students				
Government	76%	67%	48%	64%
Catholic	15%	22%	27%	21%
Other nongovernment	9%	12%	25%	15%
All secondary schools	100%	100%	100%	100%
Type of school attended by all (primary & secondary) students				
Government	78%	69%	54%	69%
Catholic	15%	22%	26%	20%
Other nongovernment	7%	9%	20%	11%
All schools	100%	100%	100%	100%

Figure 3.1 Percentage of Australian primary and secondary students in each family income range who attend government, Catholic or other nongovernment schools, 2001



4. Religion, family income and type of school attended

It is to be expected that students of Catholic religion are more likely to attend Catholic schools - just over half of both primary and secondary Catholic students attend Catholic schools, while less than ten per cent of nonCatholic students attend Catholic schools. (Around 43 per cent of Catholic students attend government schools, and around 5 per cent attend nonCatholic nongovernment schools.)

However, among students of the Catholic religion there is a greater difference in the tendency to attend government schools according to family income than there is for other groups.

At the *primary* level 56 per cent of low family income Catholic students attend government schools, while only 32 per cent of high family income Catholic students attend government schools. Among all other primary students (nonCatholic or no religion students), 88 per cent of those with low family incomes attend government schools, and 74 per cent of those with high family incomes attend government schools - a lesser difference than for Catholic religion students, however it is measured.

At the *secondary* level the percentage of low income Catholic religion students attending government schools is the same as for primary (56 per cent), while only 27 per cent of high family income Catholic students attend government schools. Among all other primary students (nonCatholic or no religion students), 83 per cent of those with low family incomes attend government schools, and 58 per cent of those with high family incomes attend government schools - again, a lesser difference than for Catholic religion students, however it is measured.

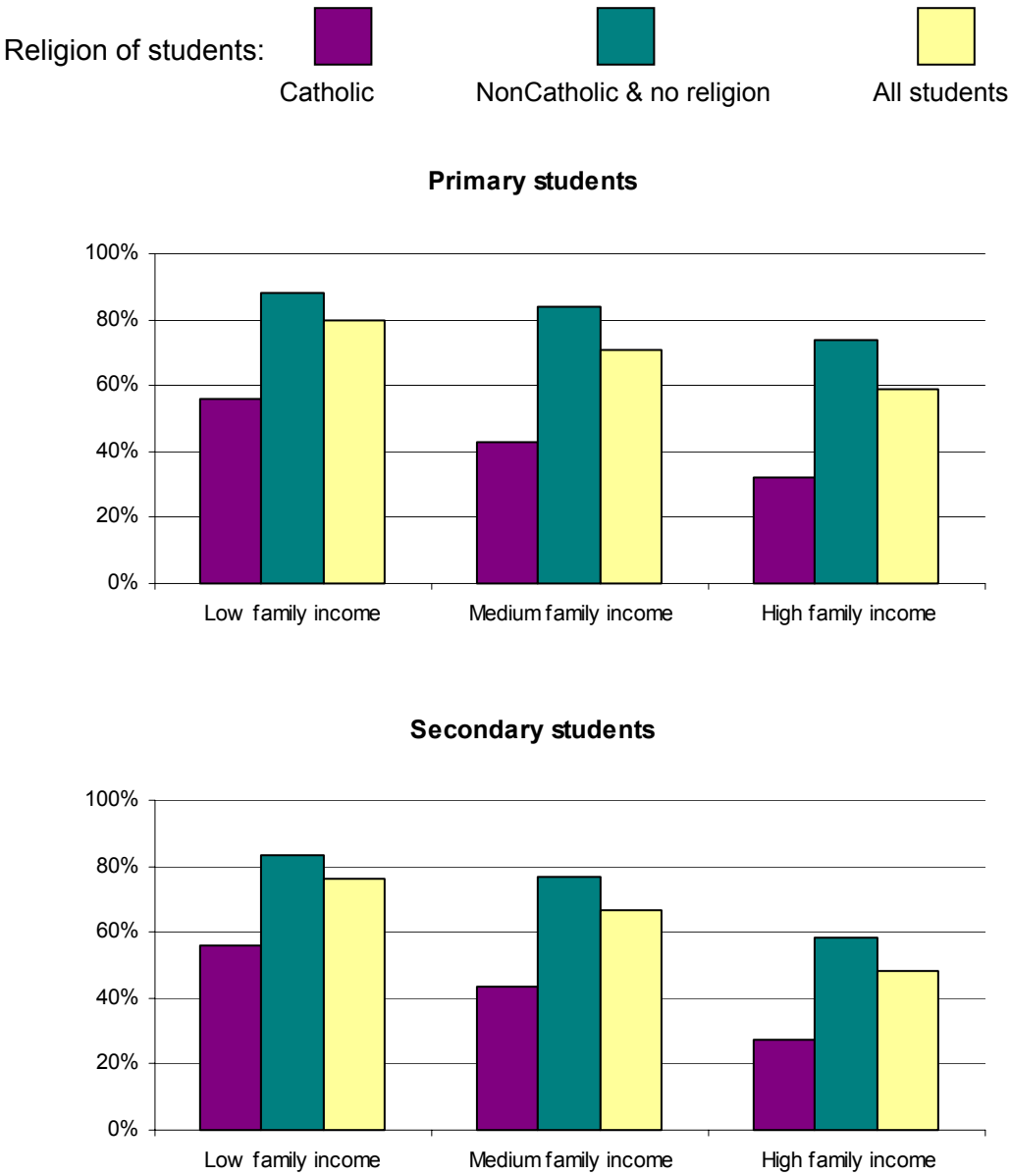
Islamic students (about two per cent of all students) at all income levels are much more likely to attend government schools than Catholic students, though they are less likely to attend government schools than are all other nonCatholic (or no religion) students. Like Catholic students with high family incomes, Islamic students with high family incomes have a greater tendency to attend nongovernment schools (Catholic and other), though this is not as pronounced as it is for Catholics.

Table 4.1 and Figure 4.1 provide details.

Table 4.1. Percentage of Australian primary and secondary students of selected religions in each family income range who attend government, Catholic or other nongovernment schools, 2001

Type of school attended	Low family income <$800		Medium family income $800-$1499		High family income >$1500		All family income ranges	
	Primary	*Sec.*	*Primary*	*Sec.*	*Primary*	*Sec.*	*Primary*	*Sec.*
Catholic religion students								
Government	56%	56%	43%	43%	32%	27%	44%	42%
Catholic	42%	40%	54%	52%	61%	62%	52%	52%
Other nongovt	2%	4%	3%	4%	7%	10%	4%	6%
All schools	100%	100%	100%	100%	100%	100%	100%	100%
NonCatholic or no religion students								
Government	88%	83%	84%	77%	74%	58%	83%	74%
Catholic	5%	6%	6%	8%	6%	9%	5%	8%
Other nongovt	8%	10%	10%	15%	20%	32%	11%	18%
All schools	100%	100%	100%	100%	100%	100%	100%	100%
Islamic religion students								
Government	80%	85%	79%	83%	73%	73%	79%	83%
Catholic	2%	3%	3%	5%	4%	7%	2%	4%
Other nongovt	18%	11%	19%	12%	23%	20%	19%	13%
All schools	100%	100%	100%	100%	100%	100%	100%	100%
All students								
Government	80%	76%	71%	67%	59%	48%	72%	64%
Catholic	14%	15%	21%	22%	25%	27%	19%	21%
Other nongovt	6%	9%	8%	12%	16%	25%	9%	15%
All schools	100%	100%	100%	100%	100%	100%	100%	100%

Figure 4.1. Percentage of Australian primary and students of selected religions in each family income range who attend government schools, 2001



5. Indigenous and all primary and secondary students, by family income

Indigenous students at both the primary and secondary levels are twice as likely as other students to have very low family incomes (less than $600 a week). The family income range of less than $400 a week in 2001 includes most one parent families on public benefits. The family income range of $400-$599 includes most two parent families on public benefits. (Large families on benefits may have higher family incomes.) NonIndigenous students are three times as likely as Indigenous students to be in high income families (over $1500 a week).

At both the primary and secondary levels the patterns are generally similar in the different States and Territories once the overall family income patterns of students is taken into account.

Tables 5.1 and 5.2 provide data for each State and Territory, primary and secondary students respectively.

Table 5.1 Percentage in each family income range, Indigenous primary students and all primary students, Australia and all States and Territories, 2001

	Low family income			Medium family income $800-$1499	High family income >$1500	All family income ranges
	<$400	$400-$599	$600-$799			
Australia						
Indigenous students	26%	25%	17%	25%	7%	100%
All students	12%	14%	13%	37%	24%	100%
New South Wales						
Indigenous students	28%	25%	16%	24%	8%	100%
All students	12%	14%	12%	35%	27%	100%
Victoria						
Indigenous students	27%	24%	16%	26%	8%	100%
All students	11%	13%	13%	38%	25%	100%
Queensland						
Indigenous students	22%	25%	19%	28%	7%	100%
All students	12%	16%	15%	38%	19%	100%
Western Australia						
Indigenous students	28%	25%	16%	24%	7%	100%
All students	12%	14%	13%	38%	23%	100%
South Australia						
Indigenous students	29%	25%	17%	23%	6%	100%
All students	13%	16%	14%	39%	18%	100%
Tasmania						
Indigenous students	23%	25%	21%	26%	6%	100%
All students	14%	18%	17%	37%	14%	100%
Northern Territory						
Indigenous students	31%	25%	15%	22%	8%	100%
All students	16%	15%	11%	33%	26%	100%
ACT						
Indigenous students	20%	17%	12%	28%	22%	100%
All students	8%	8%	9%	34%	41%	100%

5.2 Percentage in each family income range, Indigenous secondary students and all secondary students, Australia and all States and Territories, 2001

	Low family income			Medium family income $800-$1499	High family income >$1500	All family income ranges
	<$400	$400-$599	$600-$799			
Australia						
Indigenous students	21%	23%	17%	29%	10%	100%
All students	9%	13%	12%	36%	31%	100%
New South Wales						
Indigenous students	29%	28%	17%	27%	11%	100%
All students	9%	12%	11%	34%	34%	100%
Victoria						
Indigenous students	23%	23%	16%	30%	11%	100%
All students	9%	12%	12%	36%	31%	100%
Queensland						
Indigenous students	28%	32%	19%	31%	9%	100%
All students	10%	14%	13%	37%	26%	100%
Western Australia						
Indigenous students	24%	22%	18%	28%	9%	100%
All students	10%	12%	11%	37%	30%	100%
South Australia						
Indigenous students	25%	23%	17%	26%	9%	100%
All students	10%	14%	13%	37%	25%	100%
Tasmania						
Indigenous students	20%	26%	18%	28%	9%	100%
All students	11%	16%	14%	37%	22%	100%
Northern Territory						
Indigenous students	23%	21%	17%	28%	11%	100%
All students	11%	12%	11%	32%	35%	100%
ACT						
Indigenous students	13%	19%	9%	33%	27%	100%
All students	6%	7%	7%	29%	51%	100%

6. School type and Indigenous status of students, by family income

Indigenous students made up in 2001 around 4.1 per cent of all primary students and 2.7 per cent of all secondary students according to ABS *2001 Schools Australia* (Cat. No. 4221.0, p. 21). Indigenous students are thus a little underepresented in the Census data reported here (see also Box 1.1). However, the general patterns indicated in the data are likely to reflect reality.

Indigenous students are around 8.5 per cent of all primary school students in the very low family income range of less than $400 a week, but they are barely one per cent of all primary students in the high family income range of $1500 a week or more. The pattern is similar at the secondary level, though the overall proportion of Indigenous students is lower.

The proportion of students in each family income range who are Indigenous in government schools is two to three times the proportion in either Catholic or other nongovernment schools. In all family income ranges the proportion of Indigenous students in government primary schools is 4.6 per cent, compared with 1.7 per cent in Catholic schools and 1.5 per cent in other nongovernment schools. . In all family income ranges the proportion of Indigenous students in government secondary schools is 3.4 per cent, compared with 1.1 per cent in Catholic schools and 0.9 per cent in other nongovernment schools.

Table 6.1 indicates the proportion of all primary and secondary students in each income range and all ranges, in each school sector and all sectors, who are Indigenous.

Table 6.1 Australian Indigenous students as a percentage of all students in each family income range, attending government, Catholic or other nongovernment primary and secondary schools, 2001

	Low family income			Medium family income	High family income	All family income ranges
	<$400	$400-$599	$600-$799	$800-$1499	>$1500	
Primary schools						
Government	9.3%	7.3%	5.6%	3.1%	1.5%	4.6%
Catholic	4.5%	3.6%	2.3%	1.4%	0.8%	1.7%
Other nongovt	4.1%	3.5%	2.5%	1.2%	0.5%	1.5%
All primary schools	8.5%	6.6%	4.9%	2.6%	1.1%	3.8%
Secondary schools						
Government	6.7%	5.2%	4.4%	2.5%	1.3%	3.4%
Catholic	2.6%	2.1%	1.8%	1.1%	0.6%	1.1%
Other nongovt	2.6%	2.5%	1.7%	1.0%	0.3%	0.9%
All secondary schools	5.8%	4.5%	3.7%	2.0%	0.8%	2.5%

Table 6.2 indicates the proportion of all Indigenous students in each school sector who are in each family income range. More than half the Indigenous students in government primary schools are in the two lowest family income ranges (less than $600 a week). Indigenous students in Catholic primary schools are generally in higher income families than Indigenous students in other nongovernment schools. The pattern is similar at the secondary level, though overall family incomes are a little higher (as is the case for all students - see Box 1.1).

Table 6.2 Australian Indigenous students in each family income range as a percentage of all Indigenous students attending government, Catholic or other nongovernment primary and secondary schools, 2001

	Low family income			Medium family income	High family income	All family income ranges
	<$400	$400-$599	$600-$799	$800-$1499	>$1500	
Primary schools						
Government	27%	25%	17%	24%	6%	100%
Catholic	19%	21%	15%	32%	13%	100%
Other nongovt	20%	23%	17%	27%	13%	100%
All primary schools	26%	25%	17%	25%	7%	100%
Secondary schools						
Government	22%	24%	18%	28%	9%	100%
Catholic	13%	16%	15%	36%	20%	100%
Other nongovt	17%	20%	15%	32%	17%	100%
All secondary schools	21%	23%	17%	29%	10%	100%

7. Indigenous students, family income, religion and type of school attended

Indigenous students in very low family income ranges are more likely to attend government schools than Indigenous students in higher family income ranges. This is most marked at both the primary and secondary levels in Tasmania, the ACT and South Australia, and least in the Northern Territory.

Nationally around 90 per cent of Indigenous students with very low family incomes attend government schools, while 77 per cent of primary Indigenous students with high family incomes, and 73 per cent of secondary Indigenous students with high family incomes attend government schools.

Tables 7.1 and 7.2 provide data for each State and Territory, primary and secondary levels respectively, on the percentage of Indigenous students in each family income range who attend government, Catholic or other nongovernment schools.

Catholic Indigenous students are, not surprisingly, less likely to attend government schools than are nonCatholic religion (and no religion) Indigenous students. Among both Catholic and nonCatholic Indigenous students, those with high family incomes are much more likely to attend Catholic and other nongovernment schools. Tables 7.3 and 7.4 provide details.

Figure 7.1 graphs the percentages of Indigenous primary and secondary students in each family income range who attend government, Catholic or other nongovernment schools. Figure 7.2 similarly graphs Catholic religion Indigenous primary and secondary students, and Figure 7.3 similarly graphs nonCatholic religion (and no religion) Indigenous primary and secondary students.

Table 7.1 Percentage of Indigenous primary students in each family income range who attend government, Catholic, and other nongovernment schools, Australia and all States and Territories, 2001

	Low family income			Medium family income	High family income	All family income ranges
	<$400	$400-$599	$600-$799	$800-$1499	>$1500	
Australia						
Government schools	91%	89%	89%	85%	77%	88%
Catholic schools	7%	7%	8%	11%	17%	9%
Other nongovt	3%	3%	3%	4%	6%	3%
New South Wales						
Government schools	92%	90%	90%	83%	76%	88%
Catholic schools	6%	7%	8%	13%	17%	9%
Other nongovt	2%	3%	2%	3%	7%	3%
Victoria						
Government schools	92%	91%	88%	85%	78%	88%
Catholic schools	6%	7%	9%	12%	18%	9%
Other nongovt	2%	2%	3%	3%	4%	3%
Queensland						
Government schools	93%	91%	91%	87%	79%	90%
Catholic schools	4%	5%	6%	9%	15%	7%
Other nongovt	3%	3%	4%	4%	6%	4%
Western Australia						
Government schools	86%	84%	86%	82%	76%	84%
Catholic schools	10%	12%	10%	13%	18%	12%
Other nongovt	4%	4%	5%	5%	7%	4%
South Australia						
Government schools	92%	89%	87%	84%	71%	87%
Catholic schools	4%	5%	6%	8%	16%	6%
Other nongovt	5%	6%	7%	8%	13%	7%
Tasmania						
Government schools	91%	90%	87%	81%	64%	86%
Catholic schools	7%	7%	10%	15%	26%	11%
Other nongovt	2%	3%	3%	4%	10%	4%
Northern Territory						
Government schools	88%	88%	86%	89%	86%	88%
Catholic schools	10%	10%	12%	9%	11%	10%
Other nongovt	2%	2%	2%	2%	4%	2%
ACT						
Government schools	93%	80%	72%	70%	68%	76%
Catholic schools	7%	16%	23%	26%	32%	21%
Other nongovt	0%	3%	5%	4%%	0%	2%

Table 7.2 Percentage of Indigenous secondary students in each family income range who attend government, Catholic, and other nongovernment schools, Australia and all States and Territories, 2001

	Low family income			Medium family income	High family income	All family income ranges
	<$400	$400-$599	$600-$799	$800-$1499	>$1500	
Australia						
Government schools	90%	89%	88%	83%	73%	85%
Catholic schools	6%	7%	8%	12%	18%	9%
Other nongovt	4%	4%	4%	6%	9%	5%
New South Wales						
Government schools	92%	91%	89%	83%	76%	87%
Catholic schools	5%	6%	8%	13%	17%	10%
Other nongovt	3%	2%	2%	3%	7%	3%
Victoria						
Government schools	93%	90%	89%	85%	78%	88%
Catholic schools	5%	5%	7%	12%	18%	9%
Other nongovt	2%	4%	4%	3%	4%	3%
Queensland						
Government schools	90%	90%	88%	87%	79%	90%
Catholic schools	6%	5%	7%	9%	15%	7%
Other nongovt	4%	5%	4%	4%	6%	4%
Western Australia						
Government schools	85%	86%	86%	82%	76%	84%
Catholic schools	10%	9%	8%	13%	18%	12%
Other nongovt	6%	5%	6%	5%	7%	4%
South Australia						
Government schools	94%	87%	91%	84%	71%	87%
Catholic schools	4%	6%	6%	8%	16%	6%
Other nongovt	2%	7%	3%	8%	13%	7%
Tasmania						
Government schools	91%	86%	83%	81%	64%	86%
Catholic schools	5%	9%	13%	15%	26%	11%
Other nongovt	3%	5%	4%	4%	10%	4%
Northern Territory						
Government schools	83%	81%	79%	89%	86%	88%
Catholic schools	8%	9%	10%	9%	11%	10%
Other nongovt	10%	10%	11%	2%	4%	2%
ACT						
Government schools	92%	78%	87%	70%	68%	76%
Catholic schools	8%	22%	13%	26%	32%	21%
Other nongovt	0%	0%	0%	4%%	0%	2%

Table 7.3 Percentage of Australian Indigenous primary students - Catholic religion, nonCatholic and all students - in each family income range, who attend government, Catholic or other nongovernment schools, 2001

School type attended	Low family income <$400	$400-$599	$600-$799	Medium family income $800-$1499	High family income >$1500	All family income ranges
Catholic religion primary Indigenous students						
Government	76%	75%	73%	66%	55%	70%
Catholic	22%	24%	25%	35%	41%	28%
Other nongovt	2%	2%	2%	2%	3%	2%
NonCatholic religion primary Indigenous students						
Government	95%	94%	94%	88%	81%	93%
Catholic	2%	2%	2%	6%	10%	3%
Other nongovt	3%	4%	4%	7%	10%	4%
All primary Indigenous students						
Government	91%	89%	89%	85%	77%	88%
Catholic	7%	7%	8%	11%	17%	9%
Other nongovt	3%	3%	3%	4%	6%	3%

Table 7.4 Percentage of Australian Indigenous secondary students - Catholic religion, nonCatholic and all students - in each family income range who attend government, Catholic or other nongovernment schools, 2001

School type attended	Low family income <$400	$400-$599	$600-$799	Medium family income $800-$1499	High family income >$1500	All family income ranges
Catholic religion secondary Indigenous students						
Government	81%	79%	75%	67%	55%	72%
Catholic	17%	19%	23%	30%	39%	25%
Other nongovt	2%	3%	2%	3%	6%	3%
NonCatholic religion secondary Indigenous students						
Government	93%	92%	91%	88%	81%	90%
Catholic	3%	3%	4%	5%	10%	4%
Other nongovt	4%	5%	5%	7%	9%	6%
All secondary Indigenous students						
Government	90%	89%	88%	83%	73%	85%
Catholic	6%	7%	8%	12%	18%	9%
Other nongovt	4%	4%	4%	6%	9%	5%

Figure 7.1 Percentage of Australian Indigenous primary and secondary students in each family income range who attend government, Catholic or other nongovernment schools, 2001

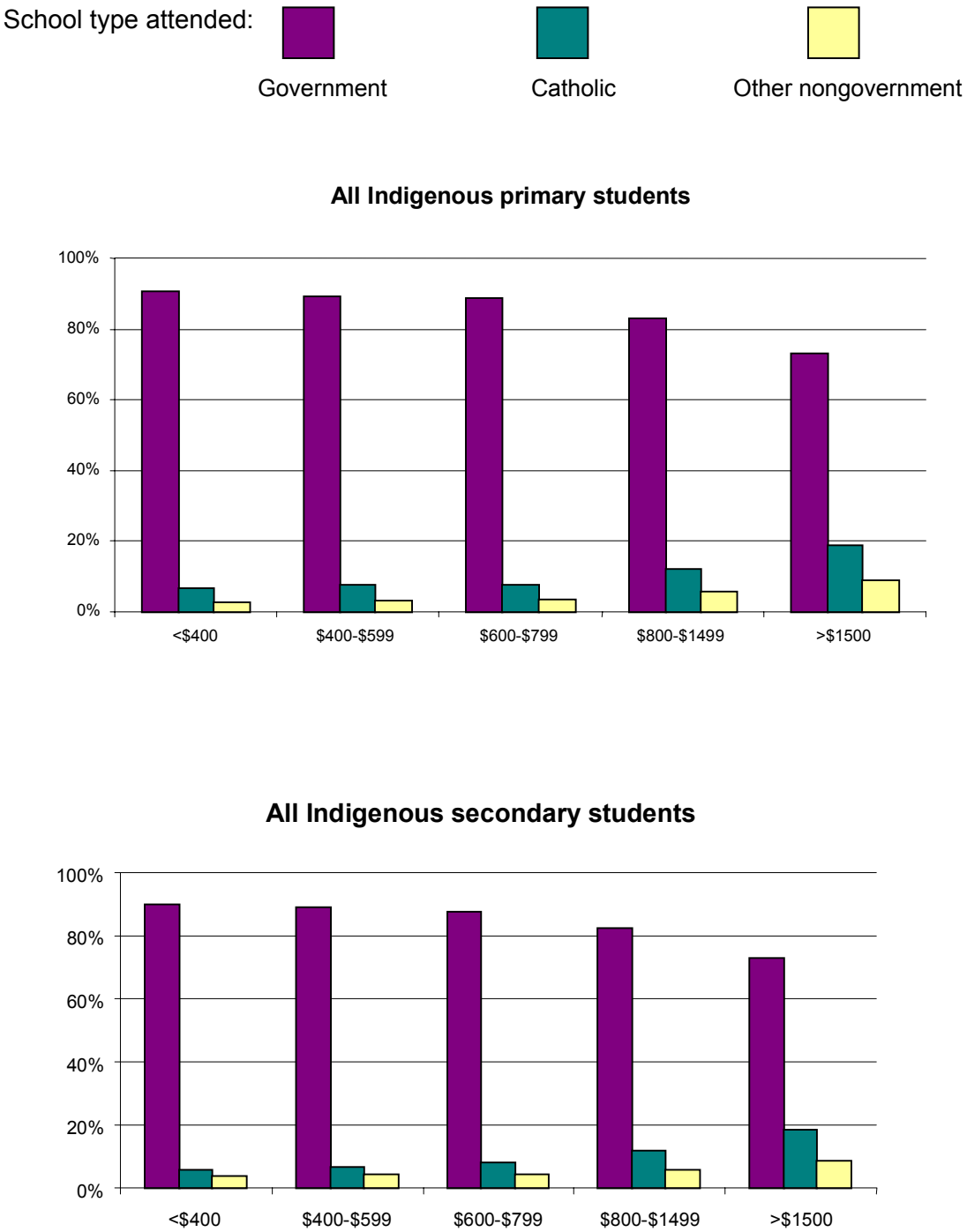


Figure 7.2 Percentage of Indigenous Catholic religion primary and secondary students in each family income range who attend government, Catholic or other nongovernment schools, 2001

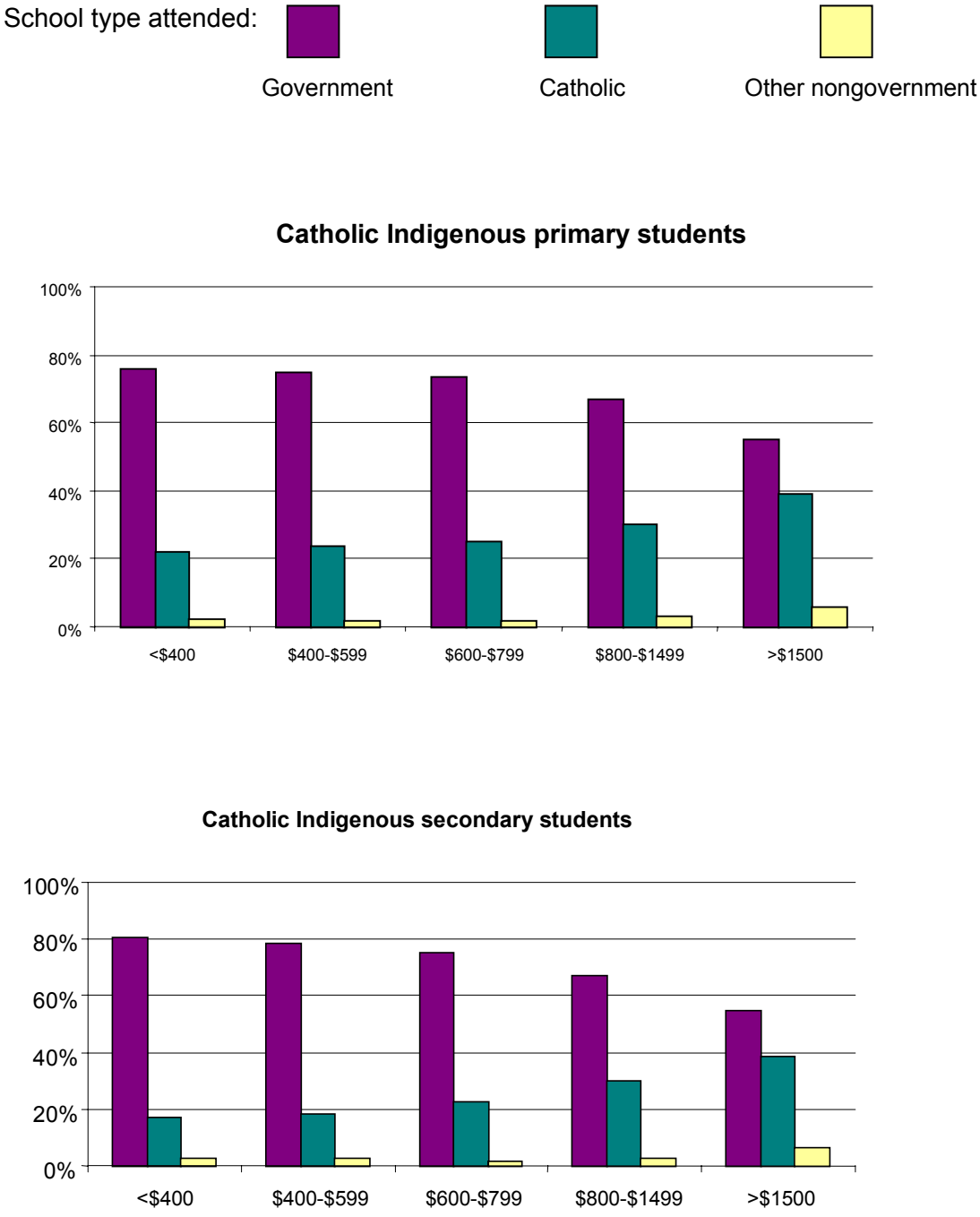
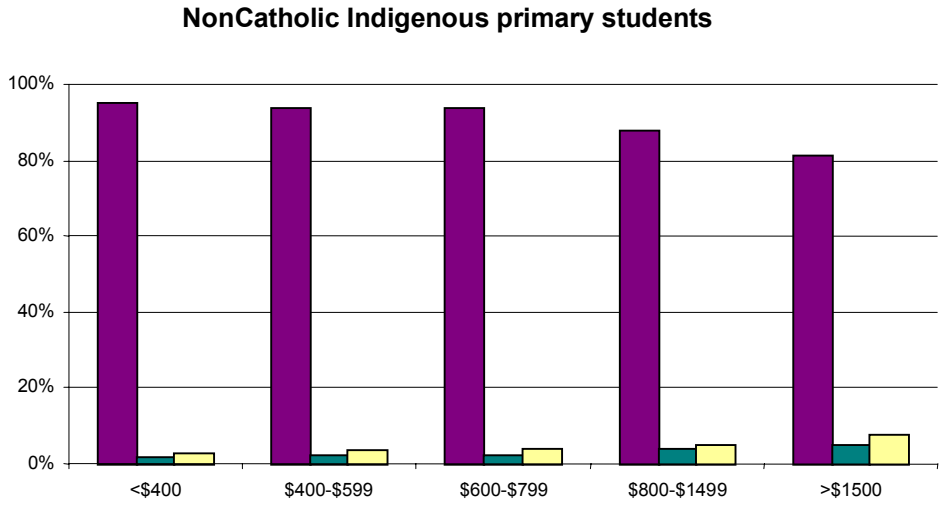
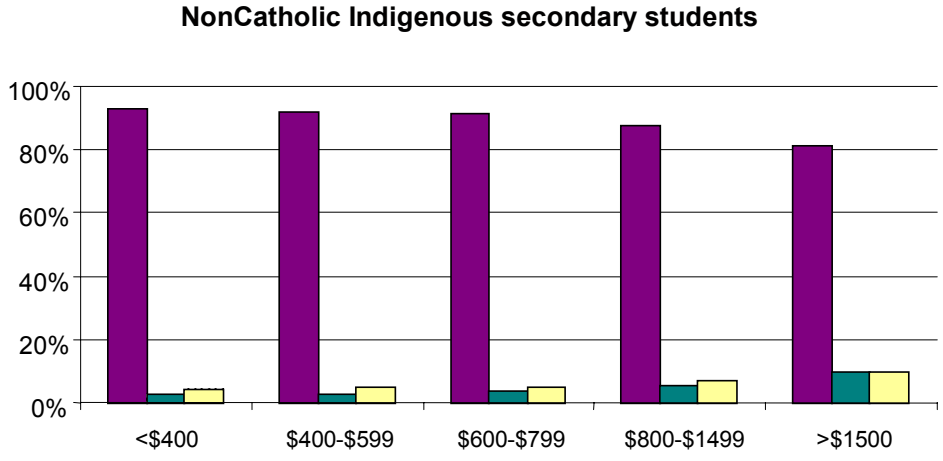


Figure 7.3 Percentage of Indigenous nonCatholic religion and no religion primary and secondary students in each family income range who attend government, Catholic or other nongovernment schools, 2001

School type attended: Government, Catholic, Other nongovernment





8. Students in one parent families, and all primary and secondary students, by family income

According to the Census data, around 21 per cent of primary students and 22 per cent of secondary students are in one parent families.

Students in one parent families at both the primary and secondary levels are more than three times as likely as other students to have very low family incomes of less than $400 a week. This income range is the usual family income range of one parent families on public benefits and no other significant sources of income. (Large families on benefits may have higher family incomes.) Students in one parent families at both the primary and secondary levels are only around one tenth as likely as other students to have high family incomes

Tables 8.1 and 8.2 provide details for each State and Territory. The patterns are generally similar between the States and Territories.

Table 8.1 Percentage in each family income range, primary students in one parent families and all primary students, Australia and all States and Territories, 2001

	Low family income			Medium family income $800-$1499	High family income >$1500	All family income ranges
	<$400	$400-$599	$600-$799			
Australia						
One parent family	39%	34%	13%	12%	2%	100%
All	12%	14%	13%	37%	24%	100%
New South Wales						
One parent family	40%	33%	13%	12%	3%	100%
All	12%	14%	12%	35%	27%	100%
Victoria						
One parent family	38%	34%	14%	12%	2%	100%
All	11%	13%	13%	38%	25%	100%
Queensland						
One parent family	37%	37%	14%	11%	2%	100%
All	12%	16%	15%	38%	19%	100%
Western Australia						
One parent family	40%	34%	13%	11%	2%	100%
All	12%	14%	13%	38%	23%	100%
South Australia						
One parent family	41%	35%	13%	10%	1%	100%
All	13%	16%	14%	39%	18%	100%
Tasmania						
One parent family	44%	36%	12%	8%	1%	100%
All	14%	18%	17%	37%	14%	100%
Northern Territory						
One parent family	38%	27%	14%	18%	3%	100%
All	16%	15%	11%	33%	26%	100%
ACT						
One parent family	32%	25%	16%	23%	4%	100%
All	8%	8%	9%	34%	41%	100%

Table 8.2 Percentage in each family income range, secondary students in one parent families and all secondary students, Australia and all States and Territories, 2001

	Low family income			Medium family income $800-$1499	High family income >$1500	All family income ranges
	<$400	$400-$599	$600-$799			
Australia						
One parent family	28%	29%	17%	21%	4%	100%
All	9%	13%	12%	36%	31%	100%
New South Wales						
One parent family	29%	28%	17%	21%	5%	100%
All	9%	12%	11%	34%	34%	100%
Victoria						
One parent family	27%	29%	18%	21%	4%	100%
All	9%	12%	12%	36%	31%	100%
Queensland						
One parent family	28%	32%	18%	19%	3%	100%
All	10%	14%	13%	37%	26%	100%
Western Australia						
One parent family	29%	30%	17%	20%	3%	100%
All	10%	12%	11%	37%	30%	100%
South Australia						
One parent family	29%	31%	18%	19%	3%	100%
All	10%	14%	13%	37%	25%	100%
Tasmania						
One parent family	32%	32%	17%	17%	2%	100%
All	11%	16%	14%	37%	22%	100%
Northern Territory						
One parent family	27%	23%	17%	27%	5%	100%
All	11%	12%	11%	32%	35%	100%
ACT						
One parent family	20%	19%	16%	36%	9%	100%
All	6%	7%	7%	29%	51%	100%

9. Students in one parent families, family income and type of school attended

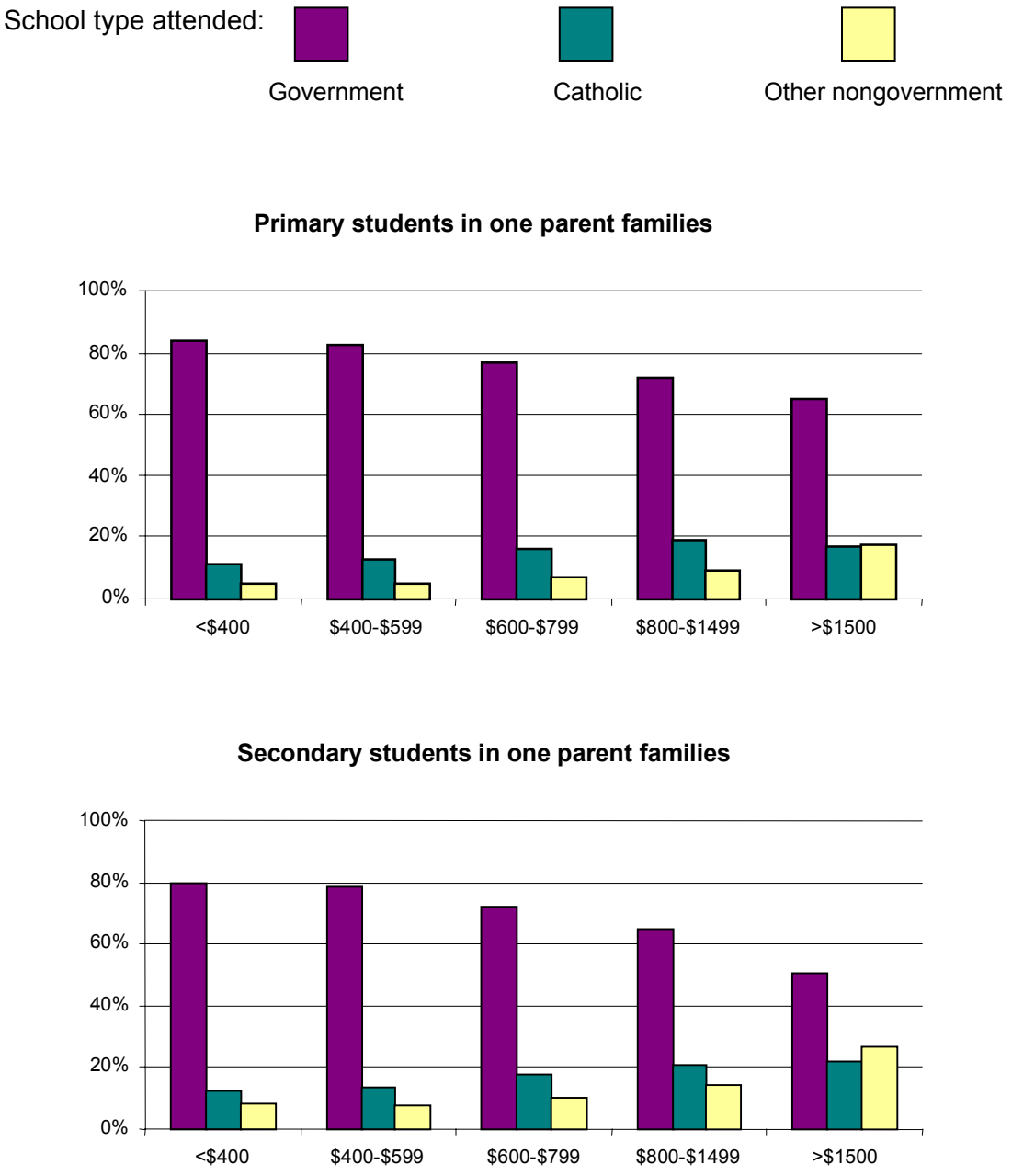
Like other groups reported on in other sections, students in one parent families are much more likely to attend government schools if the family income is low, especially if it is in the very low ranges of families solely reliant on public benefits. Catholic school attendance is most likely for students in single parent families in the medium family income range, and attendance at other nongovernment schools is most likely for students in single income families in the high income range.

Table 9.1 and Figure 9.1 provide details.

Table 9.1 Percentage of primary and secondary students in one parent families in each family income range, who attend government, Catholic or other nongovernment schools, 2001

School type attended	Low family income			Medium family income	High family income	All family income ranges
	<$400	$400-$599	$600-$799	$800-$1499	>$1500	
Primary students						
Government	84%	82%	77%	72%	65%	81%
Catholic	11%	12%	16%	19%	17%	13%
Other nongovt	5%	5%	7%	9%	18%	6%
Secondary students						
Government	80%	79%	72%	65%	51%	74%
Catholic	12%	14%	18%	21%	22%	16%
Other nongovt	8%	8%	10%	15%	27%	10%

Figure 9.1 Percentage of primary and secondary students in one parent families in each family income range who attend government, Catholic or other nongovernment schools, 2001



10. Summary comparisions between different groups

Whatever their family income range, Indigenous students are much more likely to attend government schools than are all Australian students.

The greater tendency of Indigenous students to attend government schools is most apparent at the high family income range and at the secondary level.

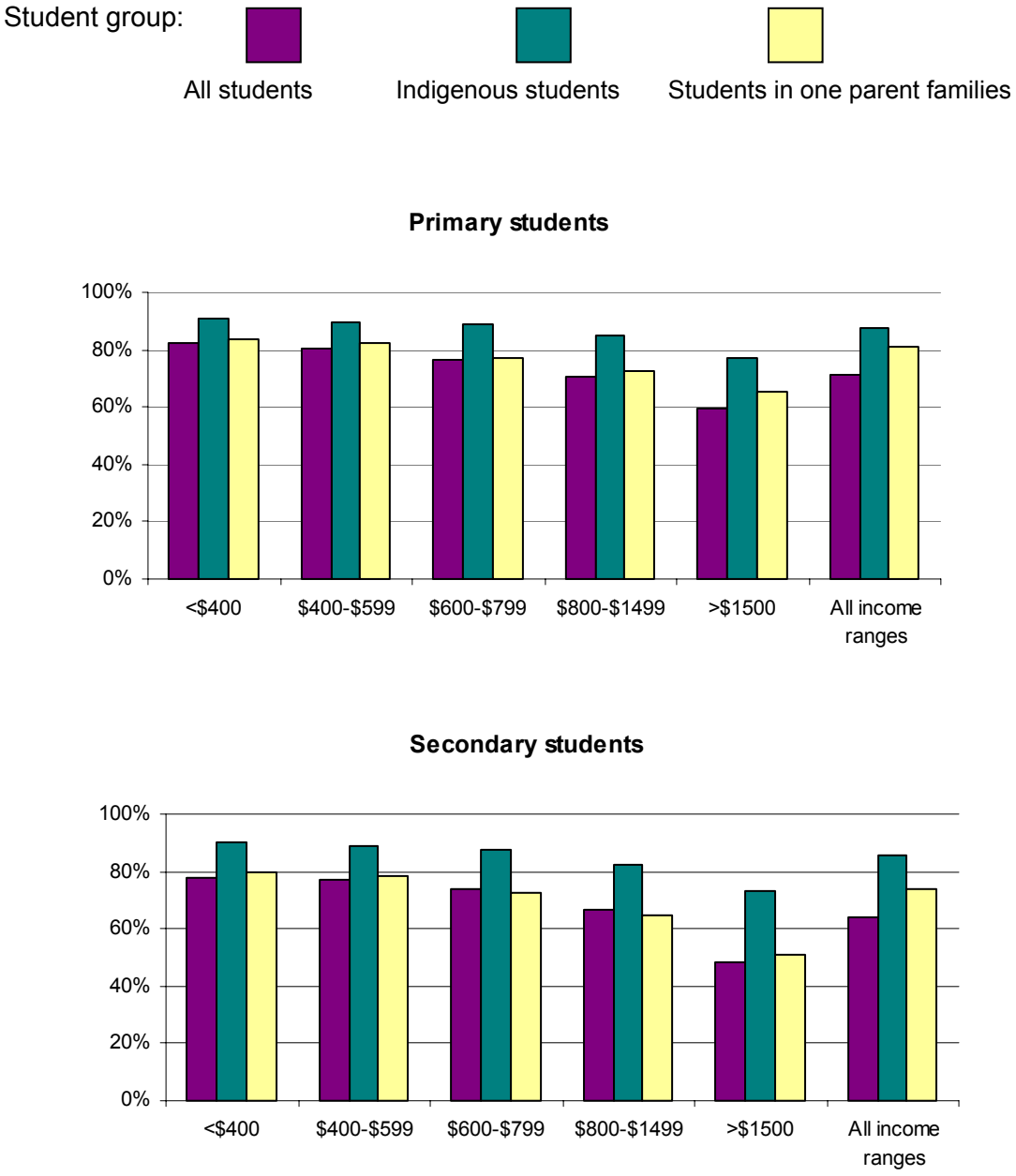
Students in one parent families are also more likely to attend government schools, whatever their family income range (except the ranges $600-$1499 at the secondary level) - but only marginally so.

Table 10.1 and Figure 10.1 provide details. Note that the high proportions of both Indigenous students and students in one parent families who have low family incomes accounts in large part for the higher proportions of students from those groups in 'all family income ranges' who attend government schools. This is most apparent for students in one parent families, who are generally only marginally more likely to attend government schools than are all students in each family income range.

Table 10.1 Percentage attending government schools: all primary students, Indigenous primary students, and primary students in one parent families; all secondary students, secondary Indigenous students, and secondary students in one parent families, in each family income range, 2001

	Low family income			Medium family income $800-$1499	High family income >$1500	All family income ranges
	<$400	$400-$599	$600-$799			
Primary students						
All students	82%	80%	77%	71%	59%	72%
Indigenous students	91%	89%	89%	83%	77%	88%
Students in one parent families	84%	82%	77%	72%	65%	81%
Secondary students						
All students	78%	77%	74%	67%	48%	64%
Indigenous students	90%	89%	88%	83%	73%	85%
Students in one parent families	80%	79%	72%	65%	51%	74%

Figure 10.3 Percentage attending government schools: all primary students, Indigenous primary students, and primary students in one parent families; all secondary students, secondary Indigenous students, and secondary students in one parent families, in each family income range, 2001



Appendix 2.

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10 November 1999

SUBMISSION TO
THE RURAL AND REMOTE EDUCATION INQUIRY
Human Rights and Equal Opportunity Commission

GPO Box 5218
SYDNEY NSW 1042

The impact of boarding school policies and practices on the provision and quality of schooling in rural and remote Australia

1. Introduction

This submission is concerned with the impact of boarding school policies and practices on the provision and quality of schooling in rural and remote Australia.

In much of rural and remote Australia there are powerful cultural traditions, going back over several generations, of sending children away to major metropolitan or regional centres to nongovernment boarding schools for secondary education. This is an understandable choice for many families.

However, the leaving of rural and remote areas for secondary education by many students seriously affects the quality and provision of secondary education in those regions, as the numbers and the political pressure is not there for school authorities to establish or adequately support schools, and what schooling there is, is residualised by 'middle class flight'. Thus a vicious circle is created and exacerbated. There is also an economic loss to the local communities as teacher salaries and other school costs are not locally spent, and as families spend money that would be otherwise spent locally on boarding and tuition fees and other expenses in the metropolitan and regional cities. There is a social and cultural loss as the number of teachers and other school workers is less than it would otherwise be.

I have estimated that the cost in dollar terms to rural and remote Australia of children boarding at metropolitan and regional city boarding schools is in the order of more than $250 million which would remain in rural Australia if the students attended local schools or boarded at hostels or boarding schools in country towns (see section 4).

Major effort is needed by school authorities and the Commonwealth, working cooperatively and not cost-shifting, to turn this vicious circle into a virtuous circle of high quality secondary schooling ‘keeping the kids in the country’. Creative and co-operative effort is also essential from

many of those who live in rural and remote areas to effectively support education in their local areas. Those who send their children away for schooling should be aware of the great loss this is to their local community. If their children board at a hostel or boarding school in a country town - rather than a metropolitan or regional city -, then resources are at least retained in the country.

2. Background

The original idea for this submission arose out of my personal experience, growing up in central western NSW where there is a strong tradition of the property owners sending their children to boarding school in Sydney or major regional centres such as Bathurst or Armidale for their secondary education. My mother and her siblings had gone to Bathurst and Sydney in the 1920s to 1940s. My siblings and I had gone to the same schools in Sydney from the late 1950s to the early 1970s. Almost all the children we went to primary school with whose parents owned farming properties went away to an independent boarding school - usually the school a parent or aunt or uncle had attended. There was little industry other than farming, and many properties did not have farm workers with families on them. So, those who went away to school were a high proportion of those growing up in the district, a majority of the middle class, and a very high proportion of those with a hope and expectation of at least completing secondary education. Thus secondary education in the area was weak, no post-primary schools were readily accessible for us and many others, and the closest was a central school which did not go though to matriculation. Thus, there was little real choice - those committed to quality to schooling and with the money to pay sent their children away. Others struggled with secondary correspondence lessons or other less than satisfactory options, and the students usually left school early.

This contrasted with where my partner grew up in the eastern Riverina. That area had a different cultural tradition going back generations, though the demographics (population density and income) have been fairly similar, at least since the end of the Second World War. In general, the only children to leave the district for boarding schools had professional parents new to the district. The secondary schools are strong, with high retention rates through to year 12 (and the leaving certificate in earlier times), and high rates of transition to university.

It would be a fascinating study to compare the educational outcomes of the two areas, controlled for socioeconomic status. My guess is that the overall educational outcomes would be much poorer where I grew up, and especially bad for the lower income families where parents themselves had low levels of education.

In thinking though the issues I have considered the policies of the Commonwealth and school authorities, and their unintended consequences; and issues of fiscal federalism and cost-shifting. I have returned to the Schools Commission's excellent 1987 report, *Schooling in Rural Australia*, and I have analysed some enrolment statistics and other relevant data. I hope that my submission provides a useful perspective and some relevant information.

The main issues that I raise are sensitive. Like so much of schools policy and debate for more than a century, the competitive struggle between private and public schooling, and over the positional goods that schools provide to their clientele, are central but often covert. Of crucial importance are the powerful, but unintended, consequences of government policies and the aggregation of the decisions of many individual families.

This submission focuses on secondary schooling. Some is relevant to primary schooling, and there are implications for tertiary education that are not taken up here.

3. Educational opportunities and expectations - social groups in rural and remote Australia

Throughout much of rural and remote Australia there are several discernible cultural groups relevant to educational policy. The categories I have set out are defined for the purposes of this submission. The groups overlap to some extent, and individuals and families may be differently categorised at different times:

(1) Pastoralists and large-scale farmers, tertiary educated managers and other professional or managerial people working on or with established primary industry enterprises.

These families are often very committed to sending their children to independent boarding schools, even if there is an accessible local school (as one parent has been quoted: 'There are good schools in the country but we wanted our kids to have an element of city life during their formative years', Vining 1998), and even if incomes may not always be high. The connections with independent boarding schools often go back generations - over a century -, and are a strong element in social networks. There is often (but not always) social opprobrium if parents chose local government schools (or regional government schools with children staying in hostels or other living away from home arrangements) - it is something they are expected to justify to avoid being considered uncaring of their children or of dubious social status.

This group, especially that sector of it living in more remote areas, is very effectively represented in education policy forums by the Isolated Children's Parents' Association (ICPA). The ICPA was formed following a public meeting in Bourke, NSW, in 1971 'as a result of Australia experiencing a rural recession of a magnitude not experienced for many years. . . This economic downturn made it difficult and in some cases, impossible, for parents to meet the rising costs associated with children attending boarding facilities, the preferred option for most isolated families for secondary schooling' (ICPA 1999a). The Assistance for Isolated Children (AIC) program (see below) arose directly out of representations by the ICPA (ICPA 1999b). While the ICPA has a broad concern with ensuring that 'all geographically isolated children have the same access to education and equal educational opportunities from pre-school to tertiary which can be readily obtained by their non-isolated peers' (ICPA 1999a), the AIC boarding allowances program remains their central concern (see ICPA 1999b). The ICPA is a recognised peak body which, with the two national parent organisations representing parents of all students in government and nongovernment schools respectively, receives a Commonwealth grant-in-aid (in the order of $10,000 a year for the ICPA, more for the other organisations) to 'enable it to continue to provide advice to the Government on issues concerning the education of isolated children' (Senator Chris Ellison, then Minister for Schools, Vocational Education and Training, media release, 29 July 1998). According to its Web site, the ICPA 'has 3000 plus member families and 133 branches across Australia' (ICPA 1999a).

(The AIC has several components, but by far its largest are boarding allowances. Boarding allowances are paid to more than 12,000 school students who do not have physical access to an appropriate government school. For most this is defined by distance from the school and/or school bus - lack of 'reasonable daily access to a government school offering education at their level'. In 1998 about 80% of recipients not in 'special circumstances', 7,066 individuals, lived at least 61 kilometres from the closest government school. The allowances are unmeans-tested at $3,500, with an additional, means-tested amount to $$4,377 a year. I have estimated the total allocation at about $45 million a year. See attached statistics.)

(2) Station workers and other employees of European descent/identification working on or with primary enterprises, or in semi-skilled or unskilled occupations in small-scale local support industries (retail, transport).

The parents in these families generally have not completed secondary schooling, and are often not confident in what they should expect (and demand) of school authorities for their own children's education. Some may not aspire for their children to complete secondary schooling (in the hope that secondary school completion would not be necessary for further technical education, training or employment), and the parents and children may be alienated from school. The cultural and social benefits (as distinct from educational benefits) of schooling outside their local area are often considered of little value. Educational attainment may not be a high priority for the family - for example, the loss to the family of a twelve year old moving away to attend schooling may outweigh the perceived educational benefit. The precarious financial situation of many of these families generally means that secondary schooling away from home is difficult to afford, even at a government school in a fairly close large town with their child boarding at a hostel.

It is the low retention rates of this group (along with Indigenous students) which is so clearly reflected in the low retention rates of rural, compared with urban, Australia.

Historically these families have had little political clout or lobbying support. They have benefited from some of the lobbying and active local work of the ICPA to improve schooling in rural and remote areas, and some have benefited from some AIC allowances. However, the relatively small proportion of AIC recipients not attending boarding schools (that is, attending hostels or other arrangements) indicates that this group has had little benefit from the priority policies of the ICPA. They would not be included in the ICPA's comment on its founding that 'children attending boarding facilities [is] the preferred option for most isolated families for secondary schooling' (see previous section). For this group the loss of other children from their districts to attend secondary schooling elsewhere has often had a very detrimental effect on the educational opportunities available to them - far outweighing the impact of particular support programs they have benefited from.

This group's educational disadvantages are great, but little effective attention has been given to their particular needs. The Commonwealth's Country Areas program is broadly relevant to their needs, but at less than $120 per student at targeted schools it is little support compared with, say, boarding allowances at $3,500 unmeans-tested. Much more effective support is needed for rural and remote schools, especially small schools threatened with closure or experiencing 'middle class flight'. Most importantly, the educational disadvantages suffered by this group because others chose to attend boarding schools must be recognised and compensated for.

(3) Middle class white collar and skilled employees, owner-managers and professionals in larger country towns

This group generally has aspirations for their children to successfully complete secondary schooling (or equivalent), but they do not have the social and cultural connection with independent schools of the first group. In general local government or Catholic secondary schools are their choice. However, in those districts where there is a strong tradition of leaving for secondary boarding schools they may assess the local schools as poor quality, as residualised, and they might themselves join the middle class flight, thus exacerbating the vicious circle.

In some areas that have had economic development related to new or restructured industries (intensive primary industry, tourism or consolidation of services for a wider area) the increase in middle class population occurred when the local schools were already residualised by a long-standing boarding school tradition. Many new residents felt they had little choice but to also send their children away. Thus, as the population increased, the local secondary school enrolment numbers and social mix did not reflect this. Yet if this group had not felt the initial need to send

their children away (because of the residualised state of the local schools and the accepted middle class practice of sending children away), then local schools would have become strong in numbers and quality.

If the quality (real and perceived) of the local schools could be turned around, many of the families who currently send there children away would be only too happy to have their children attend them. As this group does not have the strong social and cultural connection with independent schools compared with the first group, they are a key target for 'keeping the kids in the country' (see recommendations).

(4) Employees of European descent/identification of large-scale mining or other intensive enterprises

The employers (often under the watchful eye of effective unions) generally ensure reasonable quality schooling is available for their employees' children, and school authorities make it happen. It is frequently noted that a mining town in the Northern Territory with a predominantly white population will have schooling provided that is not similarly available to an Indigenous community with similar numbers of school age young people (see below).

(5) Indigenous people in rural and remote communities, country towns, pastoral or other enterprises

There are a variety of circumstances and educational needs of Indigenous people in rural and remote Australia. In this submission the concern is with the consequences and opportunities associated with boarding away from home for secondary schooling.

Historically boarding has played a significant part in secondary (rather than extended primary) education for Indigenous people living outside the predominantly white towns. However it is deeply problematic. For many there are associations with the stolen generations and a strong commitment not to break up families by sending children away to school. The financial costs are great, especially since the means-testing of ABSTUDY, as Christine Nicholls (1999) points out in reference to 'families most likely to be actively pursuing high school education for their children - the educated Indigenous elite living on Aboriginal settlements, currently in paid employment':

> Because Indigenous Law demands the redistribution of income, and because poverty prevails in remote Aboriginal settlements, finding the extremely steep cash payments to send their children away to boarding school is frequently prohibitive. (p. 152)

In addition, she notes that:

> Parents also often object to the fact that their children are required to participate in the Christian religion if they attend these church-run schools [especially the private residential schools catering for Indigenous students]. Given the history of separation and social dislocation of Indigenous children vis-a-vis their families, this issue can be emotionally charged. Sending their children away from home to attend an overtly culturally coercive boarding school (the closest of which could be up to 1,000 kilometres away) is a difficult decision for many parents given recent history. (p. 152)

Other options for secondary age young people in Aboriginal settlements include the equivalent of extended primary schooling, or correspondence lessons. In the Northern Territory 'Community Education Centres' provide what is effectively extended primary education for secondary age young people in the larger settlements. Correspondence is, of course, very difficult where the supervising parents have had very limited schooling. School authorities, such as the Northern Territory Education Department, can provide some support, but seldom by teachers with appropriate specialist skills in relevant subjects (Nicholls 1999, p. 154).

Outside the Aboriginal settlements, many Indigenous people are in circumstances in many ways similar to those of the European-descent people in the second group above, though their educational disadvantages would usually be greater.

The inter-generational cycle of poor, inaccessible or non-existent secondary schooling resulting in low educational attainment and low effective demand for schooling continues. Early school leaving and minimal transition to tertiary education is part of the pattern that must be broken. I have estimated that the low level of Indigenous participation in secondary schooling compared with the general population saves school authorities something in the order of at least $130 million a year just in the number of standard secondary school places they are not having to fund (at about $7,000 each). This money could be well targeted at providing quality secondary education accessible to Indigenous people. Christine Nicholls has argued that:

> A long-tern plan and a series of strategies for the introduction of high school education for all Indigenous rural youth in the NT needs to be put in place as a matter of urgency, with high levels of input from Aboriginal parents and family members. (1999, p. 156)

She argues that it may not be easy, but it is clearly possible - she refers to the implementation of the compulsory school attendance requirement of the South Australian Education Act in 1875, when 'literally hundreds of large and small schools had to be built, including schools in some very small towns throughout rural South Australia'.

School authorities must do for Indigenous students what was willingly done for white children more than a hundred years ago. They should not shift responsibility and costs to the Commonwealth's programs for isolated children - because these do not adequately serve Indigenous people (or many nonIndigenous people).

The provision of quality local schooling for Indigenous young people, and for all in mixed communities, would play a major role in breaking the vicious circle of low secondary participation and middle class flight leading to poor quality or nonexistent schools.

4. Money matters – the cost to rural Australia

Students leaving the country for boarding in metropolitan and major regional centres are a very significant financial drain on rural and remote communities.

For every child who leaves for secondary schooling away from their (actual or potential) closest secondary school around $4,500 does not come into the local community in the costs of educating that child expended on local teachers' salaries (after tax), other school workers' wages and salaries, local school capital works, maintenance, and so on.

In addition, if the child is not eligible for an AIC boarding allowance and attends an established independent boarding school, something in the order of $20,000 a year will be taken out of the local area and spent on boarding and tuition fees, plus additional costs (uniforms, other clothing, school excursions and extra-curricular activities, family expenditure on accommodation and other expenses when visiting, dropping off and collecting their children, and so on). Schools with total fees of at least $20,000 a year enrolled more than 3,700 students in 1999. Schools with total fees of $15,000 to $19,000 a year enrolled around 7,600 students (ICPA 1999c).

Of course a crucial matter is the nature of the opportunity cost of expenditure on boarding and tuition fees (and other expenditure related to children's boarding education). For many families the funds would be kept as part of the family farming (or other) business, and thus spent on additional employee or contract wages (with the funds mostly staying locally), machinery or other capital investments (with some of the funds thus going out of the immediate local area), and/or used to reduce debt, thus lessening interest payments that leave the district. Funds may also be spent on holidays and other consumer expenditure away from the local area. Or they could be spent on local extra-curricular educational and cultural activities. I have assumed that most, but not all, of funds saved from fees and expenses associated with city boarding schools if children attended local schools would effectively remain in the local area. Thus, the net loss (including money which would have been spent by the school authority if the child was educated locally) to the local area per secondary student attending a major independent boarding school would be

around $20,000. If 25 children in a local area go away to major independent boarding schools, then around half a million dollars may be lost to that community each year.

Where the child is isolated (as defined by AIC allowance eligibility), the calculation is more complicated. It is possible that if a sufficient number of local children did not go away to boarding schools (or hostels), then a local school may be established and the funds that come with any local school will come into the community. AIC allowances reduce the family expenditure on boarding fees (and thus their total expenditure out of the local area) by between $3,500 (unmeans-tested) and $4,377 (means-tested). Almost all rural hostel residents (a total of fewer than 1,900) are eligible for AIC allowances. A little under half of all boarding school students would be eligible for AIC allowances. In total, over 12,000 students receive AIC boarding allowances.

Expenditure (by families and by the Commonwealth through the AIC) on boarding at rural hostels and boarding schools in country towns support the economies, educational facilities, and cultural life in those country towns – thus maintaining resources in rural Australia. In addition to the fewer than 1,900 students in rural hostels, around 5,000 students board at boarding schools in country towns (though some of these towns are large – verging on regional city status).

If it is assumed that almost all the students boarding in country towns are eligible for AIC allowances, then a little under half the allowances are spent in metropolitan or regional cities. In addition, around 10,000 country students who are not eligible for AIC boarding allowances attend boarding schools.

From these figures the total dollar amount lost to rural Australia from students boarding at schools in metropolitan and regional cities can be estimated in the following way:

First, all funds spent on boarding in country towns (involving around 7,000 students) is not included in this calculation because the funds remain in rural areas.

Second, approximately 5,000 students boarding away from the country receive the AIC, thus reducing the effective boarding fee payment by between $3,500 and $4,377. It is assumed that, for this group, average total boarding and tuition fees and other expenses total $15,000, minus an average of $4,000 AIC, leaving $11,000, of which 80% would remain in the local area if it was not spent on these school-related costs. Thus $8,800 per student per year is lost to the local economy, to which must be added the $4,500 that would come into the area if the child attended a local school. Thus the net loss to the local community is around $13,300 per student, per year, a total of **$66.5 million** for the 5,000 students boarding away from the country who receive the AIC.

Third, approximately 10,000 country students who are not eligible for AIC attend boarding schools (this assumes more than 4,000 boarders are from cities or overseas). Average fees and other expenses for this group are assumed to be $18,000, of which 80% would remain in the local area if it was not spent on these school-related costs. Thus $14,400 per student is lost to the local economy, to which must be added the $4,500 that would come into the area if the child attended a local school. Thus the net loss to the local community is $18,900 per student, per year, a total of **$189 million** for the 10,000 students boarding away from the country who do not receive the AIC.

The total financial loss to rural Australia of students attending city boarding schools is thus calculated at more than **$250 million** a year. The educational, cultural and social loss is great.

This loss is not spread evenly. As mentioned above, some areas, but not others, have long-standing traditions of boarding school attendance. In addition, provision of accessible local small rural schools and provision of rural hostels and relatively low fee boarding schools differs around the country. Nationally more than 60 per cent of boarding students are in high fee (boarding fees of more than $7,000 a year) institutions. There is relatively little provision of low fee institutions in Victoria, South Australia or New South Wales. In Western Australia there is a network of eight

government rural hostels, with total enrolments of more than 700 students, plus almost 400 students in nongovernment hostels, and around 800 students in low fee, country boarding schools (mostly government agricultural colleges). Queensland and Tasmania both have more than 200 students in rural hostels, and there are about 120 in South Australian rural hostels. In Queensland there are also a large number of students boarding in lower fee boarding schools in large country towns. In New South Wales and the Northern Territory there are fewer than 100 students in rural hostels, and there are none in Victoria or the ACT.

The number of students boarding at schools and hostels in each State and Territory is set out in the Statistical Annex to this submission.

5. Money matters – federal fiscal relations

There is an unfortunate financial incentive for State and Territory governments to maintain a status quo where they wash their hands of provision of quality secondary schooling in many rural and remote areas, and leave the financial burden for secondary schooling on individual families and the Commonwealth (through the AIC and grants to nongovernment schools) as some families chose nongovernment boarding schools rather than government schooling in the country, and the children in other families are pushed to early school leaving.

Using the above assumptions, State and Territory school authorities (and, to some extent, Catholic and other nongovernment authorities which have responsibilities for country secondary schools) save around $100 million a year by children attending independent boarding schools in metropolitan and regional cities, rather than country government (or nongovernment) schools (average annual expenditure per secondary student is assumed to be $7,000). Rather than putting this money back in consolidated revenue, it should be spent directly on improving the quality and provision of schooling in rural and remote areas. The strong network of government hostels and boarding schools in country Western Australia shows what might be possible. But more needs to be done.

6. Recommendations for breaking the vicious circle

(1) Effective support for rural and remote schools, especially those threatened with closure or experiencing 'middle class flight'

Many other submissions to this inquiry will be recommending ways of supporting rural and remote schools. Here I want to emphasis the importance of improving the quality of schooling so that the local school is a reasonable choice, rather than assisting those who want to choose schooling elsewhere to leave the district. This strategy includes supporting secondary schools in larger rural centres which have hostels associated with them or otherwise do (or could) cater for students who genuinely have no ready access to local secondary schooling. Similarly, boarding schools in country towns could be supported, rather than those in metropolitan and regional cities.

These issues were addressed in the Commonwealth Schools Commission's excellent 1987 report, *Schooling in Rural Australia.* I strongly recommend that this inquiry, and the Commonwealth, school authorities, and other stakeholders consider the issues and conclusions of the report. It covered many matters of relevance to this inquiry. While some things have changed over the past decade, much has remained the same. Some of the important recommendations (and implicit suggestions) of the report have never been acted on.

I recommend that the report be revisited in the light of changes that have occurred, especially in terms of:

- a clearer recognition of the right of all young people to a full, high quality secondary education (or equivalent);
- school authority closures of small schools, especially around the early 1990s in States such as Victoria;

- developments in telecommunications and computer technology and access;
- transport (quality and cost of road and air transport in particular);
- demographic patterns and industry restructurings.

The report provided a strong critique of boarding, especially in expensive independent schools well away from students' homes. While recognising that such schooling was a preference for some, the Commission provided evidence of its unsuitability for many. The Commission was critical of the low level of support for rural hostels and the structure of the Assistance for Isolated Children scheme (which I estimate at currently costing around $45 million a year - see attached statistics). The Commission stated that:

> In considering issues in the accommodation area, the position is taken here that encouragement should be given to accommodation facilities which:
>
> - are as close to the students' homes as possible;
> - support rural schools;
> - give students access to locally-relevant curriculum, especially in Years 11 and 12; and
> - are likely to increase student retention into upper secondary school.
>
> This report therefore proposes support for local student accommodation facilities in rural Australia. This support should take the form of Commonwealth financial assistance for eligible hostels, group homes and boarding schools, with the assistance to be paid to the accommodation facility, rather than the student of the student's family. It is proposed that the assistance to hostels, group homes and small boarding schools should be at a higher rate than that for large boarding schools. (p. 67)

The Commission also firmly supported the retention of small rural schools:

> The Commission's view that small schools should be kept open wherever feasible results from its examination of the difficulties experienced by students and their families when physical access to school is not readily available. That examination underscores the important role of an extensive network of rural schools can play in minimising the number of students with access difficulties and in reducing the degree of difficulty faced by those still without ready access to school. The Commission's view, however, also results from its belief that small rural schools:
>
> - provide educational advantages to students;
> - are of social and cultural importance to their communities; and
> - are of economic importance to their communities. (p. 74)

(2) Collection of data and other information, and its accessible presentation

Appropriate data should be readily available to inform policy and practice. For example, local residents and education planners should know the number of young people of secondary school age who leave a district for schooling, and they should have access to all relevant demographic information to develop appropriate strategies.

User-friendly data collections, which can allow complex cross-tabulations on a local area basis, should be developed and made readily accessible to policy makers, education organisations, and the public. Some relevant data and other information could include (with appropriate privacy protection):

- type and location of schooling or other activity attended by all school age people whose home residence is in the district (this would include those attending boarding schools or hostels or who have a second home away from the district) by demographic characteristics

of the individual (especially Aboriginality; parental income, occupation and education level, etc);

- education participation rates (as above for post-school education for people of all ages as much as possible);
- education attainment of the population in the district by occupation and labour force status;
- socioeconomic and other characteristics of the general population in the district;
- Commonwealth and other program support, including AIC, Country Areas Targeted Assistance, etc;
- school authority funding for schools on a local area basis;
- location of educational and other relevant community facilities;
- transport links;
- access to telecommunications and other communications links (including cost).

HeathWiz, a product of the Commonwealth Department of Health and Aged Care, provides a model for the software structure and type of data, though it is not amenable to all the types of information listed above.

(3) A positive, grass-roots campaign to 'keep the kids in the country'

Background. These ideas have come out of conversations with friends and relatives in the country when their children have been very young (or not yet born) and before decisions about boarding schools have been finalised. Boarding and tuition fees and other necessary expenses at major independent schools are in the order of $20,000 a year for secondary students - $120,000 for six years. This is a lot of money that could be well spent on augmenting and supporting children's education at a local government school. The flow-on effect to local schools and communities would be very positive.

The proposal. The task is to support the choice of a group of parents to keep their children in local schools and not send them away to boarding schools, thus breaking the vicious cycle referred to above in a local area. For these families the choice to keep their children at home must be in the educational interests of their children, and the overall cost-benefit for the family must be positive.

The place to start would be a district with an existing secondary school, but where many middle class and educationally aspiring families send their children away to boarding school. A group of parents who would otherwise send their children to boarding school would need to collectively decide to keep their children in local schools, and to use some or all of the money saved by not sending their children away to support their children's education in some way. The more families can be involved the better for several reasons: First, often a fair number of students deciding to stay is necessary for the critical mass needed for ensuring high quality schooling in terms of, for example, upper secondary curriculum options and the qualified teachers to provide those options. Second, several families pooling their redirected funds could make quite a difference in the provision of local specialist resources - for example, one family could not support an instrumental music teacher, but ten families could provide base funding, guaranteeing work which would be augmented by others in the district. Third, lone families making a decision to stay may find it socially difficult (for both adults and children) in social networks where independent school connections play an important part - several families can provide mutual support and enthusiastic encouragement.

How parents spend the money they would have otherwise spent on tuition and boarding fees is ultimately their decision, but ideally much of the expenditure could be decided collaboratively

with other parents making the decision not to send their children away, and in consultation with other parents and the local schools. Part of the funds could be put aside for activities away from home, including excursions, and, perhaps, a year at a school overseas - this would compensate for missing the horizon-widening experiences of a city boarding school. Other funds could be pooled for the employment of, for example, instrumental music teachers, youth drama group coordinators and other specialist expertise that might not be available in a country town. This need not be directly associated with local schools, but would complement whatever is provided there. Access to such teachers and drama groups could be open, but on a user-pays basis. The important thing is that the organised group of families provide the base funding to ensure the provision of these resources so that their children have access to the fully rounded education that would be available in a larger centre and which they would otherwise be paying for through fees and associated expenses at a boarding school. The resources could be anything ranging from something privately organised and paid for by several families (such as a music teacher formally employed by the group of families) to an open community resource accessible to all (for a fee if appropriate) in the tradition of many community resources in country towns, such as swimming pools built in the 1950s and 1960s, when local funds were raised and some families made very large donations.

Benefits The primary benefits would be those associated with keeping the kids in the country schools - the enrolment numbers and social mix to enhance the curriculum options, specialist teachers, and general quality of schooling for all students. There would be flow-on economic, social and cultural benefits to the local community of having a (larger) school and more teachers, and families spending locally, rather than on fees and other expenses at city boarding schools. Families who might otherwise have considered sending their children away will have the option of higher quality local schooling. For those who chose to keep their children at a local school there will be financial savings and a substantial amount of money to use in other ways to benefit their children's education. And, of course, there will not be the emotional wrench of a child leaving parents and siblings around the age of twelve. In the longer term, the social capital built up by collaborative provision of community resources can be very enriching for the whole community. Breaking the cycle in one local area can set the precedent for other areas, making it easier in areas where the circumstances are more difficult to start with.

Specific suggestion: That a project officer be funded to investigate possibilities, perhaps through focus groups involving parents with pre-school age children who are considering sending their children away but have not yet made a firm decision. Consultation and collaboration should occur as appropriate with local community organisations. Where a proposal as set out above appears feasible, that the project officer coordinate and support the families as required.

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Statistical Annex

Enrolments	1998
Number of students boarding at the 121 boarding schools that are members of the Association of Heads of Independent Schools of Australia (Source: Association of Heads of Independent Schools of Australia 1999)	19 050
Number of students boarding at all nongovernment schools (Source: DETYA)	22 802 (22 226 at secondary level)
Number of students boarding at all schools (Source: Isolated Children's Parents' Association of Australia Inc. Federal Council 1999, *ICPA Directory of Australian Boarding Schools & School Term Hostels* [*ICPA Directory*])	24 432 (1999)
Number of students boarding at rural hostels (Source: *ICPA Directory*)	1 869 (1999)
Number of students in receipt of Commonwealth Assistance for Isolated Students boarding allowances (Source: DETYA)	12 182

Fees and Allowances (annual per capita, secondary students)	1999
Weighted average boarding fees at rural hostels (Note: WA Country Residential Colleges 1999 fee is $6,200, these hostels enrol almost 60% of all hostel residents. Source: *ICPA Directory*) (Unweighted average hostel boarding fee calculated by the ICPA is $5,561)	Approx. $6 000
Weighted average boarding fees at AHISA schools (ICPA Directory) Tuition fees are similar for AHISA schools. (Unweighted average boarding school fee calculated by the ICPA is $8,048, highest in the ACT and Victoria at over $9,000)	Approx: $9,500
Assistance for Isolated Children (AIC) boarding allowance, basic rate (not means-tested)	$3,500
AIC boarding allowance, basic plus additional rate (means-tested)	$4,377

Total annual Commonwealth expenditure on some selected programs (Total Commonwealth funds for government and nongovernment schools, not including student allowances, is more than $4,000 million a year; States and Territories spend around four times this amount)	
Assistance for Isolated Children's Scheme boarding allowances (Source: Kemp 1998. The amount was calculated from the Minister's statement of funding of $172 million over five years from January 1999. However, given the number of assisted students and the rates, the actual amount is likely to be more than $45 million a year.)	$34.4 million
Country Areas Targeted Assistance to schools (about 150,000 students - under $120 each)	$17.7 million
Indigenous Education Strategic Initiatives*	$122.4 million
Indigenous Education Direct Assistance Program*	$62.3 million
School for children of travelling show workers (Commonwealth grant for capital, etc requirements)	$1.4 million

* Indigenous young people's rate of participation in secondary schooling is well below the national average. If their participation was the same as the general population, then school authorities would be spending at least an extra $130 million just for standard secondary schooling (at the national average of about $7,000 per student).

Number of primary and secondary students boarding at schools & hostels, 1999, States and Territories and Australia

	School boarders	Hostel boarders	Total school & hostel boarders
NSW	7 897	75	7 972
Vic	2 882	0	2 882
Qld	8 117	275	8 392
WA	3 113	1 119	4 232
SA	1 118	116	1 234
Tas	274	215	489
NT	848	69	917
ACT	183	0	183
AUSTRALIA	24 432	1 869	26 301

Source: Isolated Children's Parents' Association of Australia Inc. Federal Council 1999, *ICPA Directory of Australian Boarding Schools & School Term Hostels*