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SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE

(Subcommittee)

Reference: Commonwealth funding for schools

MONDAY, 26 JULY 2004

SYDNEY

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SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION

REFERENCES COMMITTEE

Monday, 26 July 2004

Members: Senator George Campbell *(Chair)*, Senator Tierney *(Deputy Chair)*, Senators Barnett, Carr, Crossin and Stott Despoja

Subcommittee members: Senator Carr *(Chair)*, Senators Allison and Johnston

Substitute members: Senator Allison for Senator Stott Despoja

Participating members: Senators Abetz, Bartlett, Boswell, Brown, Buckland, Chapman, Cherry, Jacinta Collins, Coonan, Denman, Eggleston, Chris Evans, Faulkner, Ferguson, Ferris, Fifield, Forshaw, Harradine, Harris, Humphries, Hutchins, Johnston, Knowles, Lees, Lightfoot, Ludwig, Mackay, Marshall, Mason, McGauran, McLucas, Moore, Murphy, Nettle, O'Brien, Payne, Santoro, Sherry, Stephens, Watson and Webber

Senators in attendance: Senators Allison, Carr and Tierney

Terms of reference for the inquiry:

To inquire into and report on:

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.

WITNESSES

Subcommittee met at 9.21 a.m.

CANAVAN, Brother Kelvin Brian, Catholic Education Office

CROKE, Dr Brian, Executive Director, New South Wales Catholic Education Commission

WALSH, Mr Bill, Director, School Resources New South Wales, New South Wales Catholic Education Commission

CHAIR—I declare open this public hearing of the Senate Employment, Workplace Relations and Education References Committee inquiry into Commonwealth funding for schools. On 13 May 2004, the Senate referred to this committee an inquiry into Commonwealth schools funding, with particular reference to the principles underlying funding assistance and the funding model used to deliver it. The committee will be examining the ways in which these principles and the SES model allow schools to meet the national goals for schooling agreed to in Adelaide in 1999, the effectiveness of the partnership agreements between the Commonwealth and the states and territories, the effectiveness of the current accountability provisions, and the issues relating to efficiency and effectiveness in the allocation of public funds.

I remind all witnesses that, in giving evidence, they are protected by parliamentary privilege. Parliamentary privilege gives special rights and immunities to senators and members and those who appear before its committees. Parliament must function without obstruction and people must be able to give their evidence to committees without prejudice to themselves. Any act by any person which disadvantages a witness as a result of evidence given before the Senate or any of its committees is treated as a breach of privilege.

I welcome any observers to this public hearing. I also welcome our first witnesses, who are from the New South Wales Catholic Education Commission. The committee prefers that all evidence be taken in public but it will consider any request for all or part of your evidence to be taken in camera. The committee has before it submission No. 55. Are there any changes or additions you would like to make?

Dr Croke—No. Submission No. 55 is the submission from the National Catholic Education Commission, which we will elaborate from our context.

CHAIR—I now invite you to make a brief opening statement before we begin our questions.

Dr Croke—As part of the national Catholic sector, we speak on behalf of and in support of the submission from the National Catholic Education Commission, but we are also happy to follow up any particular issues you may have or queries that come out of today with data or other information we can discuss with you afterwards.

I am joined by my colleague Bill Walsh, who is our director of resources. He has day-to-day responsibility for many of the issues germane to this inquiry. Brother Kelvin is the director of the archdiocese of Sydney system—the largest Catholic system in New South Wales. It is in fact one of the largest systems in the world in terms of Catholic education. He will be able to enlighten us on questions of detail around distribution of funds within the system, how the system works and the policy issues associated with access and accountability in relation to that.

In my introductory statement I will talk briefly about the New South Wales context and make a couple of points in relation to the implications, as we would see them, of the terms of reference of your inquiry. Catholic education in New South Wales is a very large enterprise. We have over 236,000 students and over 15,000 teachers in 585 schools. As a schooling entity, education entity and financial entity, it is very large—and larger than many of the state systems in this country. It is also very comprehensive in its coverage—city and country—and in regard to the sorts of students in it.

We are conscious of some of the issues raised in relation to the composition of Catholic schools—relevant to this inquiry and made in submissions to this inquiry—and, in particular, students with disabilities and Aboriginal and Torres Strait Islander students. The argument is that Catholic schools do not enrol their fair share of those students. We would say—and we can pursue this later—that the graph of our enrolments of students with disabilities and ATSI students is very steep and is increasing annually. We are going as fast as we can to increase our proportion of those categories of students. We regard that as a challenge, for which we accept responsibility.

We are also concerned about another issue that is relevant to this inquiry in relation to access to Catholic schools, and that is the accusation that Catholic schools are not taking their share of students from the poorest Catholic families. It is true that, over the last 15 years, the proportion of Catholic students from the poorest families attending Catholic schools has declined. I am very conscious of that. Again, it is a major challenge for us—and we might speak more about that later. We think the policy context is part of the problem and part of the solution.

In terms of funding, Catholic schools in New South Wales pretty much reflect the national pattern—that is, they are funded 60 per cent from the Commonwealth, 25 per cent from the state and 15 per cent from private income. I will make four points about the implications of the committee's terms of reference. The first point is that the Catholic community and the Catholic school community share the concern of the Australian community as a whole and the educational community as a whole that the present mechanisms we have in this country for funding government and non-government schools—that it is partly Commonwealth, partly state and, especially in the case of non-government schools, private income—have reached a point of dysfunction. It is a system that lets governments and other groups blame each other for inadequate resources or inadequate responsibilities. In a country our size and in this era, this is a problem that we ought to be able to solve. We agree that there needs to be some sort of codified national agreement on who is responsible for the funding of schools at whatever level—between Commonwealth, state and also private, where that is appropriate. We need a more modern and, frankly, a more politically sophisticated system, and we think that can be done.

My second point is: what is the answer to that? There is a spectrum of answers. All schools could be funded by the Commonwealth. There is no constitutional reason that that could not be the case. All schools could be funded by the states. There is no reason that that could not be the case. But the reality is that they will continue to be funded by a mixture of Commonwealth, state and private funding. We need to find a solution, and we believe that it is possible.

My third point is that the disputation, anxiety and energy—the waste of energy, in our case—that are produced around the argument of who is responsible for what and who is pulling their weight and who is not hinges on a single criterion for differentiating schools, and that is purely

on ownership; that is, either a government owns a school or it does not. It seems to us to be a very limited and outmoded kind of political analysis that a decision should be made on who owns a school. The issue in Australia—and I notice it has been raised several times in submissions to your inquiry—is about educational quality and the effectiveness of schools. We have effective schools and schools that are less effective owned by government and we have effective schools and schools that are less effective that are not owned by government. We think that ought to be the criteria for focusing on improving the quality and resourcing of Australian schools, but there is little data at this stage in the public domain to enable us to do that.

My final point is that we strongly support the national goals for schooling. It is a most worthy and appropriate set of goals for all Australian schools. We think the national goals provide the basis for a long-term solution in determining the resourcing levels of Australian schools and our need to find some mechanism to measure resources and changes in resources over time. We think that the national goals provide that potential and that, in conjunction with the MCEETYA principles, they will be the basis for any solution.

Senator TIERNEY—Dr Croke, you made the claim that the system is dysfunctional because of the way the funding is split. As practitioners in the field, we would be very interested in your advice on how that should be untangled. If it is to come to a point of, say, giving it all to the states or all to the federal government, what is your suggestion? We look to the practitioners to provide us with some guidance.

Dr Croke—This is partly a political problem, so practitioners will look to politicians too. The solution, as I suggested, is that we will in reality continue to have some balance of Commonwealth and state. From our point of view, we think it is appropriate that the Commonwealth should be a significant funder of all schools—government and non-government. We think it is appropriate that the states also be involved in the resourcing of schools.

Senator TIERNEY—That is what we have at the moment.

Dr Croke—That is right, but what we do not have at the moment is any national agreement on who is responsible for how much at what level. We have a lot of disparity across the country. Where we have differences and divisions, a lot of time and energy is wasted—that is really our point—on the political differences, rather than focusing on the issue at hand and trying to find a longer-term solution.

We could have a national agreement that says that the Commonwealth will fund non-government schools at 60 per cent of something or by a mechanism that is based on need at varying percentages of something, the state would fund all non-government schools at a percentage of something and so on. The point is that we should have a national agreement that all governments would subscribe to and bring the political will behind.

Senator TIERNEY—Do you think that solves the problem of blame shifting? Surely while you have a mix between state and federal they are always going to keep blaming each other, regardless of who is in power in either situation?

Dr Croke—Perhaps so, but surely if you have a codified national agreement that would be made much more difficult.

Senator TIERNEY—In a think tank once I put up the idea that perhaps, given that the school legislation is state based, the states should do everything up to the HSC or the VCE, as it is in Victoria, and then the feds do all the post-secondary, and I was told, 'No, the Catholics wouldn't like that.' That seemed to indicate to me that the Catholic system actually liked this division.

Dr Croke—It is a political reality that we have to learn to cope with. We think the solution to our problem of public policy lies within the current structure. The only view I think the Catholic sector has had about this over the period of time of my experience is that, as a nation, we should always be looking to think more nationally about education.

Senator TIERNEY—The advocates in the public sector, particularly the Teachers Federation and groups like that, like to misrepresent the picture in terms of funding. They talk about how much the Commonwealth is funding private schools—not taking into account that, out of the general grants to states, the Commonwealth provides a considerable amount of money to the public system. They never factor that in, so we get this dishonest view of where the money is actually coming from. I was interested in your comment that it is dysfunctional. Given the political realities, I am just trying to come to some way in which we could better set up the system so that those misrepresentations are not made. Can you give us any further guidance on that?

Dr Croke—We have through our present structures—through MCEETYA in the case of education—the potential, surely, to develop and get a national agreement through premiers conferences and other similar bodies. I think it is a matter of political determination, if we say as a country that we really need to do this.

Senator TIERNEY—Having had a look at the transcripts from previous hearings, I would like to tackle another bit of political dishonesty that has crept into the hearings. It relates to the way in which the change from the resource index system to the SES system has led inevitably to changes in funding for particular schools. Some have gone up. None have gone down because we have had funding maintained. People keep quoting the percentages of change from the old ERI to the new SES. I would like you to comment on the reality of what happens in the funding in terms of the fact that government money to Catholic schools and private schools per child is still considerably less. You might perhaps comment on some of the figures in terms of the Catholic system. I believe you receive 60 per cent of your funding from the federal government, 25 per cent from the state and 15 per cent from parents. It is my understanding that, in terms of public money, in total per child you are still running well behind the public sector. Would you care to comment on your understanding of those arrangements?

Mr Walsh—That is correct. The figures for 2003, which we have put together and made public, show that a student in a New South Wales government school would receive $7,832 per annum and a student in a Catholic school for that same period would receive $5,506 from government sources. That is a difference of $2,326. That is indisputable. We are very careful about the sources of those figures. Those figures are from our own auditor and the government figures come from the New South Wales Auditor-General's report to parliament. So we have used public figures on that. Some years ago when this was disputed on the front page of the *Sydney Morning Herald*, the minister at the time, John Aquilina, the New South Wales minister, defended those figures. There is a *Sydney Morning Herald* article in which he said that claims to the contrary were incorrect. So I think those figures are incontrovertible.

Senator TIERNEY—One of the things now entering the political debate which could have an effect on all the funding across the system—if it is ever worked out how to do it equitably—is needs based funding. It is suggested that this apply across the entire system—public and private. Even though the Catholic system is now on an SES model, I believe you have some internal redistributive mechanisms which take into account the needs base within your Catholic system. Can you describe how you adjust funding to the needs of particular skills?

Dr Croke—At the state level, where the funds are distributed across the 11 dioceses?

Senator TIERNEY—That is correct.

Mr Walsh—I will make an initial comment and then Brother Kelvin will elaborate. We do have internal distribution arrangements. The reality is that we have a system for that very purpose. The reason for there being a system is to redistribute, very similar to the way the state government does it. Otherwise, we are just a collection of independent schools, which is not the case. That is the whole reason: the better off support the less well off, and those that can raise more local funding do so. We would have many schools—and Brother Kelvin will be able to elaborate on this—which, if they were left to their own devices, would close tomorrow. Many small schools in the country and many schools in, say, the south-western sector of Sydney would not pay their own way. Brother Kelvin might like to elaborate on that mechanism.

Brother Canavan—In the Sydney archdiocese system there are 148 schools. We run with a single account. All the Commonwealth funds, the state funds and the parent contributions—the tuition fees from parents—go into that single account. At the beginning of the year we are able to establish how much we have available and then it is redistributed to each school according to need. Before allocating the resources we look at enrolment, the special education needs, kids at risk and students with language backgrounds other than English. After looking at those we then distribute the funds to each school.

The schools do not have to have a local budget; it is a system-wide budget. In fact, about a third of the schools run notionally with a surplus, about a third would run with a loss, and the other third are in between. That is really why we have a system. Without the system, many of these schools could not operate. By doing it that way, the schools with the lower SES get more of the resources because of their inability to top up the funds.

Senator TIERNEY—What about cross-subsidisation for parents? If the parents are on very low incomes and they cannot really afford fees at all, do you turn them away, or is there some way in which you accommodate them?

Brother Canavan—There is a policy in the Sydney archdiocese that no Catholic child would ever be excluded from a Catholic education because of an inability to pay. So parents who are unable to pay are still welcome. I will give you one example. The accounts for 2003 that we submitted to the Commonwealth indicate that the parent contribution from our poorest school—I will not name the school, but a school in a disadvantaged area of Sydney—averaged $324 per student. That is $324 in the 2003 school year. At the other end of the scale, in a more affluent area the parents contributed, on average at a particular school, $2,289 per student. So you have the parent fees or contributions ranging from $324 up to $2,289 at the primary school. In the high school, the range would be from $1,440 up to $2,697 per student per year. So the inability

of parents to contribute much does not have a major impact on the resources that we distribute to those schools.

Senator TIERNEY—Just finally, Dr Croke, in terms of new models, I was wondering if the Catholic system examined the New Zealand model, where the Catholic system is actually integrated into the total system. Have you had a look at that, and do you have a view on the New Zealand approach?

Dr Croke—We have not, as a state commission, looked at it too closely. Different people in Australia have, from time to time. But there is nothing distinctive about New Zealand. You have got to look at the UK, Europe or the US; there are lots of different models around. To answer your question, though: in the case of New Zealand, my understanding is that Catholic schools are essentially integrated, if you like, into a single national system for all schools. But they are still responsible individually for a certain proportion of capital, as they are in England. The view of those who have analysed it closely is that, having created that, it is not necessarily a very effective way of growing schools. It is much more difficult for Catholic communities in New Zealand, as I understand it, to develop and establish a new Catholic school. We think that it is important that we are able to effect that in our country.

Senator TIERNEY—Are they more controlled by what is happening with total demand within a particular region?

Dr Croke—I do not know the detailed reasons for that. They might also be demographic. It is not necessarily a perfect model, from our point of view.

Brother Canavan—The difference is that the percentage of Catholics in New Zealand would be less than half of the percentage of Catholics in Australia. I think size comes into play here.

Dr Croke—Yes. The Catholic community is 29 per cent of Australia's Catholic community; it is not insignificant, of course.

Senator ALLISON—I would like to pursue the point you make about the distribution of public funds expressing the general state of the economy. Does this suggest, Dr Croke, that in your sophisticated approach to a funding system we might link funding to GDP or to some other measure which connects with the economy?

Dr Croke—Yes. There is no reason why not. Again, it is a matter of national will for us as a nation to say, 'This is what we think we ought to be spending as our national investment on the nation's children.' You can link it to GDP, some OECD figure or whatever, so that it is commonly agreed and understood. It then becomes the benchmark. It moves and expenditure can move with it.

Senator ALLISON—So do you have a view as to whether, in relation to some of those economic indicators, we are spending less now than we might have spent a decade ago or at some other time? Do you have a feel for the trend, as it were?

Dr Croke—I am no expert on this but my understanding is that we spend less as a proportion of GDP on schooling than we did 20 or 30 years ago. Whether that is a good or bad thing is a separate question altogether.

Mr Walsh—Senator Tierney led this off; it has been in public debate. It is a question of both the Commonwealth and states contributing. The Commonwealth can make those decisions about the percentage of GDP and the like but it also needs the cooperation of the states. I do a very close analysis of the state budgets. I know the Commonwealth minister has done the same. It often seems to me that the states do substitute their own expenditure increases for the Commonwealth. It is very obvious in this state, for example, that the New South Wales budget does not identify Commonwealth moneys.

So, leading to your question and coming back to the comment that Dr Croke made at the beginning, there needs to be national agreement on this. If the Commonwealth is increasing its money or is making a national policy, the states do need to proceed along those lines. Clearly, in terms of school funding the predominant funders are the states, through tax reimbursements from the Commonwealth. So, in terms of this committee's own terms of reference, it is not just a matter of the Commonwealth being able to make those decisions unilaterally; it does need the cooperation of the states.

Senator ALLISON—You have given us some examples of where you see the need for greater government support for capital funding, upgrading old stock, building new schools and so forth. You also talk about the need for more funding for students with disabilities. If there were to be an increase overall in funding levels, is that where you would see the gap—in, perhaps, community expectations and what is able to be provided? I do not ask you that just for the Catholic sector. If you can comment more broadly that would be useful.

Dr Croke—I think capital expenditure is a major issue for the country as a whole—making sure we always have the most modern facilities available for every child in the country. Education, of course, is a dynamic process. Curriculums change and the expectations of schools change, so we need to make sure that schools are able to be kept up to date. There is a lot of information and there have been a lot of government reports and inquiries in relation to that.

From the point of view of the Catholic sector, as you say, it is not dissimilar to others. The maintenance of schools—keeping schools current in terms of their capital stock—is a major challenge. With regard to building new schools, the Catholic sector is growing steadily, as it has pretty much always grown—the most significant growth in New South Wales in the non-government sector has not been in the Catholic sector. There will always be a need for some new schools from our point of view. That is a major pressure. It is hardest to explain to a new Catholic community, generally of young families in a growing area, why they cannot have an educational facility or access that other parents in other areas have. It is a cost pressure. Students with disabilities, as is well known, constitute a major cost pressure, and it is one we would like to see most relief from.

Brother Canavan—I will just give an example of the capital works. I am under considerable pressure from parents out in the Carnes Hill area—on Cow Pasture Road, at the edge of Liverpool. They have a new Catholic primary school there. We expect that, when the students leave that school in 2005, their parents will be wanting a high school. We have a block of land,

but to build a Catholic high school today costs about $20 million. So the problem for that community in Carnes Hill—these are people who have all moved into their homes in the last two years; it is a new area—is: how can they make a significant contribution to get that school up and running?

Senator ALLISON—Can I toss in a few other ideas for using extra money—perhaps class sizes. The Catholic sector tends to have bigger classes than other sectors have. Is this an area that you see as needing improvements? What about the areas of information technology, technology generally and support services within schools? Do you have a priority list of things that you would like to address if funding were available?

Brother Canavan—Senator, you are correct. The class sizes tend to be larger than they are in the government schools. That is something that we continue to address. There are particular pressures today and there is demand for information communication technology and the cost of that. That certainly would be a priority in the Sydney Catholic schools, if it were a question of choosing one or the other—over the further reduction in class sizes. The schools need technology and they need to be able to replace a lot of the old existing stock.

Senator ALLISON—I think I heard you correctly earlier when you said that the fees charged in secondary schools ranged from $1,440 to $2,697. Are there no Catholic schools in New South Wales that are higher fee schools than that?

Brother Canavan—Just to correct it, I was saying that they are the figures in the secondary systematic schools in the Archdiocese of Sydney. That was the average actually collected and receipted and reported to the Commonwealth. The fee structure is higher than that, but many parents are on considerable discounts.

Senator ALLISON—What is the point in the range—$1,440 and $2,697?

Brother Canavan—Yes, that is the average collected from secondary school parents in the Archdiocese of Sydney for secondary education.

CHAIR—What is the highest fee charged at the secondary level?

Brother Canavan—The average—

CHAIR—Not the average—the highest? An average is a midway point. What is the highest point?

Brother Canavan—I gave you a figure for a secondary school. I have the figure here. I will give it to you in a moment.

Mr Walsh—We may need to distinguish this. Outside of the Catholic system there are other Catholic schools, which you may be alluding to. Unlike some of the other states, we have a higher number here of what are called non-systemic Catholic schools. They may be the ones that you are referring to.

CHAIR—It is just that in other states we have had evidence that Catholic Education Commission schools are charging fees in excess of $7,000.

Mr Walsh—I saw that in the Queensland one.

CHAIR—I also thought there were higher numbers in Western Australia.

Mr Walsh—It is the same in Victoria as well. In this state those higher fee charging schools lie outside the Catholic system schools and they operate as independent Catholic schools.

Brother Canavan—The highest fee for a Sydney school was $2,697. That would be the average fee collected—the fees collected per student at a particular school.

CHAIR—I am sorry, you still use the word 'average'. I may not be the strongest mathematical student that ever existed, but I always thought that to get an average you actually need a high point and a low point. What is the high point?

Brother Canavan—I would not have that figure.

Dr Croke—That would be the scheduled year 12 fee.

CHAIR—So that is the highest fee in New South Wales in a Catholic system school—

Brother Canavan—In the Archdiocese of Sydney.

CHAIR—In New South Wales, what is the highest Catholic system school fee?

Dr Croke—That would be the year 12 schedule fee for Sydney, as I was saying. We can get that. That would be contained in our report to the Commonwealth.

Senator ALLISON—If I can go on to the question of reporting, a lot of the submissions to this inquiry draw attention to the differences in accountability between the two sectors, arguing that quite a lot of your redistribution of funds is not publicly available information. Would your sector be prepared for a higher level of disclosure of such things as the highest fees and how the redistribution works? Is any of what you are required to provide the Commonwealth confidential or is it all publicly available? Can you see some argument in that question of differences in accountability?

Brother Canavan—We have no difficulty reporting for the system as a whole. I would be able to table the annual report for 2003, which shows the income and expenditure from Commonwealth, state and parents. I would be happy to table that, where you can see the whole system.

Senator ALLISON—What about on a school by school basis?

Brother Canavan—No. What we do not want are league tables. I have been resisting over the years requests to publish the fees collected from each school. It would not be helpful for a community to see their fee level, to see what those parents paid. I gave you the example of a

school where the parents, all up, can only pay the $300-odd that I mentioned. It would not be helpful to that community to know that that is all they contributed to education. So we have been resisting having fee tables. We work in much the same way as I believe that a state system would distribute its resources—according to need. Sometimes it is quite accidental how much a school costs. If you have a school where it works out that you have an average of 26 in every class and the school next door, just because of where the parents live, has an average of 20 in the class, you will get a significant cost per child difference. But that is somewhat accidental.

Mr Walsh—I do not think there would be any difficulty, though, in providing the maximum and minimum fees and some non-named examples. I do not think we fear accountability at all.

Senator ALLISON—Are the criteria for redistribution based on need publicly available? Is how you assess whether a school will get closer to $2,697 than $1,440 public information? Is the way in which you redistribute the funds a formula which can be provided to the committee? Is it publicly known or not?

Brother Canavan—It is not so much a formula as how it works in practice. We get the information from a school. The school says how many teachers they need, what support staff they need and other things like that. We look at that, we see the overall resources that are available, we take into account their examination results for last year, we look at the other special factors and, on a one-to-one basis, we then say to the principal, 'These are the resources you will have available for next year.' There is an appeals mechanism. If the principal feels that he or she has not got a fair share of the cake, they can come back and then it is re-examined. But it is not something that is driven by a formula in the computer. It is done school by school, and even class by class, because the people who are involved in working with the principal know the situation. If there are some classes with some particularly challenging youngsters, they receive more resources for that year.

CHAIR—Is the Catholic commission's view in this state the same as the national view? You do not actually support the SES system, do you?

Dr Croke—We support SES as a methodology. For 20 years, in my experience, we have used SES where it is appropriate to be used—for example, as part of a formula for allocating funds from what used to be the disadvantaged schools program and is now a literacy program. We think there is nothing better than it, in terms of measuring the relative SES of Australian communities. Imperfect as it might be, there is nothing better than it for that. Our problem with it is how you use it. The National Catholic Education Commission's position—and this is quite a well-publicised and documented position—has been that it is not appropriate to use it exclusively to allocate the totality of Commonwealth funds.

CHAIR—And that is why you do not use it for internal distributions?

Dr Croke—That is right. We use it in different shapes and forms, at different levels and to an appropriate extent.

CHAIR—Can you tell me why it was that the Catholic school system was allocated a notional SES score of 96 back in 2000?

Dr Croke—Bill may be able to elaborate on that. My understanding of it is that originally, when the calculations were done and the formulas were being devised, 96—and this is somewhere in one of the working papers of the reports—was the median SES score for Catholic schools in Australia. In other words, if you lined up all 1,700 of them from end to end and took the middle one, it would have a score of 96. It is not an average.

CHAIR—No.

Mr Walsh—Also it just about matched where the funding was at the time.

CHAIR—So it met status quo funding arrangements and it was a mean score?

Mr Walsh—Yes.

CHAIR—It was not an actual SES score for each school though, was it?

Mr Walsh—No.

CHAIR—And the current system, with 60 per cent of schools being funding maintained, is equally not a pure SES system at all, is it?

Dr Croke—No, we do not have a pure SES system—and we are not looking to have a pure SES system.

CHAIR—No, you do not support a SES system of that type.

Dr Croke—No.

CHAIR—What percentage of the schools in New South Wales will be funding maintained?

Mr Walsh—At the moment, about 60 per cent of schools in the Catholic system.

CHAIR—So it is the same as the national position?

Mr Walsh—Yes.

CHAIR—You have a view that funding for individual schools should be provided on the basis of a number of criteria. There is need, as measured by the government funding that is given to the school, and there is the question of parental contributions: is that right?

Mr Walsh—Yes.

CHAIR—And there are state contributions.

Mr Walsh—Yes. We argued initially, when this was first talked about, for modifications of the ERI, which clearly had a resource base in it, perhaps modified by SES.

CHAIR—What I am interested to know is whether the commission takes the view that the contribution of parents should be considered in the allocation of resourcing to schools. Is that the position?

Dr Croke—That is correct. That is exactly what is operating in the case of Sydney, as has been illustrated.

CHAIR—Why do you not think those views should apply to the rest of the system, or do you take the view that they should apply to the rest of the non-government system? If it is good enough for you, why isn't it good enough for the rest of the system?

Dr Croke—I think part of the answer to that is that the national commission's view has been that in a federal funding model you should not be ignoring totally the present and historical resources of an individual school—whether it is school fees or whatever. Whether that is a percentage of fees or whatever is the detail to be worked out. The government, as you would be well aware, in agreeing with the National Catholic Education Commission on the model that we have for the next four years also agreed with the national commission that this is not a model that can last beyond 2008. It agreed that we need to work together to find a more secure long-term solution to that.

CHAIR—You say that the current system is not sustainable.

Dr Croke—The government has agreed with the commission that it will look at it and we will discuss it and work out something together between ourselves—as part of the public policy debate, obviously—over the next four years. Let me put it this way: if you moved to a pure SES system in 2009, parts of the Catholic system in states like ours would collapse. That is why we do not agree with a pure SES model. We have to have some more secure long-term solution.

CHAIR—So are you concerned about what might happen after 2008?

Dr Croke—We are, as indeed is the government.

CHAIR—The government is concerned?

Dr Croke—Yes, and that is why it has agreed with the commission that, I repeat, we will work together over the next four years to look at how we can modify the present arrangements for 2009 and beyond to make sure the funding for the Catholic system is secure and predictable.

CHAIR—I take it that you would agree that 50 per cent of the non-government system as a whole is not actually funded on the basis of SES at the moment. We have got fully maintained schools from 2001; we have got fully maintained schools from 2004; we have funding guaranteed schools. The consequence of that is that probably a little more than half of the system is not actually funded on the SES model.

Mr Walsh—That is correct. It is not on a pure SES model, no.

CHAIR—So it is all a bit of a joke really, isn't it?

Dr Croke—It is an SES based model. All schools and systems are funded on the model that is SES based.

CHAIR—It is based, but 50 per cent is not funded on that model.

Dr Croke—It is not pure SES, no.

CHAIR—So only 50 per cent of it is based.

Dr Croke—That is right, because it would not work for 100 per cent—and certainly not for the system.

CHAIR—Can you tell me this: what are the fees at Riverview? Do you know that?

Mr Walsh—I would imagine they would be around $10,000 to $12,000.

CHAIR—If we include the AGSRC model here, that is well in excess of the AGSRC, isn't it? Under your system, if it was one of the systemic Catholic schools, they would actually get less money than they are allocated. That would be right, wouldn't it?

Mr Walsh—If they were to join our system, yes. It is like any systems school at the moment. Even though a school may, notionally, have an SES above 96 and attract money in theory, it does not get the money.

CHAIR—No, I appreciate that. All I am trying to establish is that your funding model is based on a concept of need—a needs based funding system.

Mr Walsh—That is correct.

CHAIR—And you have no objection to that, because you obviously do it yourselves.

Mr Walsh—Correct.

CHAIR—My question then goes to this: what is the argument against the rest of the system having that same application?

Mr Walsh—In some ways, we cannot speak on their behalf. It is for them to argue their case. The other factor that has to be taken into account there is that there is another non-government sector. It is often referred to as if all the schools are the same—all charging $10,000 or whatever. In fact, that is not the case. There is a great range of schools. There are many small Christian schools in country towns and they are equivalent to our Catholic schools, which—

CHAIR—Geelong Grammar charges $19,000.

Mr Walsh—And there are other schools which charge $2,000 to $3,000—very similar to Catholic schools. I think that is one of the conceptual things which is often misreported or misunderstood: that every non-Catholic school is a Geelong Grammar. That is not the case.

CHAIR—No; I am just trying to get the principles of your funding system clear in my mind. It strikes me that you are saying quite clearly that there should be a needs based funding system, because that is the system that you operate yourself. What I am trying to grapple with is whether or not you can explain to me why that system should not apply to the rest of the non-government sector. All I have heard from you is that the others should speak for themselves.

Dr Croke—I could repeat the National Catholic Education Commission position—and it is the position we have continued to argue all along. It has been that that the Commonwealth should fund non-government schools on the basis of a formula or some arrangement that takes into account the resources of the school. What it is, how you measure it, what your benchmark is—they are all questions to consider.

CHAIR—I have one final question and that goes to section 21 of the bill, which says, in terms of the principal's autonomy:

… in the case of a Catholic school, such appointments will take account of the relationship of the school with the bishop, parish priests and the leadership of religious institutions.

Is that your understanding of that clause?

Dr Croke—We noticed that in the bill. To be frank, we thought it was a curious insertion and unusually detailed for a bill like this. We have not got a formal position on it yet, but we might say that a statement like that in the bill ought to be fairly general. It ought to simply cover the governance arrangements of a school however those are defined by that school, rather than trying to prescribe them separately for Catholic schools and other schools.

CHAIR—I accept that and I was startled to see it. I have not seen it in legislation before. Am I right in that? Is that the first time this has occurred?

Dr Croke—Yes, We were startled too.

Mr Walsh—We did not ask for its insertion. In fact, we would probably like it to be deleted.

CHAIR—Can I ask you this: does this not, for the first time, introduce religious objectives into Commonwealth legislation for schools?

Dr Croke—I am not a constitutional expert, but if it is not the first time it cannot have been very regular. It is the first time as far as I am aware—and certainly in education.

CHAIR—But it is the first time that you can recall?

Dr Croke—In education, definitely.

CHAIR—Can you think of any other bill where religious objectives are introduced in any other social policy area?

Dr Croke—It is not so much a question of religious objectives. We would see it as an attempt to link the internal practices of a particular school to Commonwealth funding, and that seems curious.

CHAIR—I am not raising a question about the sectarian issue with you here. That is how you run your schools, and as long as they abide by the law that is your business. I am interested to know about the principles and whether or not the inclusion of such matters as these raises some serious issues which may in fact undermine your long-term position in terms of Commonwealth support.

Dr Croke—I would not disagree with that. I think it is not a helpful condition of funding in law. It is a curious one, yes.

CHAIR—Thank you very much for appearing here today.

Mr Walsh—We may have some material we could table on the number of schools.

CHAIR—Thank you very much.

Brother Canavan—Could I just clarify something?

CHAIR—Yes.

Brother Canavan—In a response to Senator Allison I might have said 'the fees charged to those students'. Those figures I gave were the fees collected. The examples of $324 and $2,289 were the fees collected.

CHAIR—Brother, I am having a little trouble following that line of argument about how much is actually charged. What I wanted to know is how much you charge.

Dr Croke—It will be on the web site. We will get it to you.

CHAIR—Thank you very much.

[10.13 a.m.]

EDSALL, Ms Sally Maree, Research Officer, New South Wales Teachers Federation

LEETE, Ms Jennifer Gaye, Deputy President, New South Wales Teachers Federation

CHAIR—Welcome. The committee prefers all evidence to be given in public, although we will consider any request for all or part of your evidence to be given in camera. The committee has before it submission No. 4. Are there any changes or additions that you would like to make?

Ms Leete—No.

CHAIR—I now invite you to make a brief opening statement.

Ms Leete—Thank you very much. I might begin by indicating that, as we say at the beginning of our submission, we would like our submission to be read also in the context of the submission by the Australian Education Union. I want to make a comment about recommendation 1 from the Australian Education Union's submission, and that recommendation was that there be a major commission of inquiry in relation to the issue of funding of schools in Australia.

Whilst the Teachers Federation and the Australian Education Union absolutely welcome this Senate inquiry and very much value the opportunity to put our views forward, we think that the area of schools funding is one that is incredibly complex. There is a great deal of difficulty getting access to information, particularly pertinent statistical information. Because of the different ways that data is collected in a number of different jurisdictions, it is very difficult to make comparisons. It is for that reason—apart from of course what we believe to be the absolute significance of this issue to the Australian nation and its future—that we would support a major commission of inquiry.

You will also notice from our submission that the New South Wales Teachers Federation is totally opposed, by policy, to any public funding being provided to non-government schools. Notwithstanding that policy position, we have responded in terms of the terms of reference for this inquiry. In that context, where there is funding for both non-government and government schools, we have put forward our views about the problems that arise with the current system and about what we see as preferred alternatives to the current system. It is our view that the current Commonwealth government's funding policies are distorting the delivery of schooling across this nation.

The current effect of government funding policy is to undermine the provision of public education across the nation, including in New South Wales, by subsidising the private sector to such an extent that it will attract sufficient students in order to residualise the public education system. The shift in enrolments is sometimes portrayed as a massive example of the Australian public voting with their feet. We reject that. The drift has continued at a fairly similar rate over a long period of time, despite what we would see as extremely generous funding inducements. It seems to us that it is only through even greater funding of non-government schools and lesser regulation that the current drift is going to be maintained. Funding policies favour private

schools and seek to persuade parents that they must strive to provide a private education for their children and that somehow this is seen to be the measure in this nation—or, at least, this is what is portrayed by the federal government—of what a good parent is: someone who strives to send their child to a private school despite the fact that it is the public education system that has brought this nation together and continues to keep the nation together by way of educating all our young people from diverse backgrounds together.

We argue that the Commonwealth government must state a commitment to public education as the prime system and as being the foremost educational responsibility of all governments. We argue that the current nexus between government funding for public schools and non-government schools must be broken, that there should be—if governments want to fund non-government schools—a finite pool of resources based on submissions from the non-government sector on the basis of individual student need. Sally may want to add something.

Ms Edsall—In welcoming the opportunity the inquiry offers, pressing for a more general inquiry and re-emphasising the point about the paucity of comparable data that was made by Jennifer and in other submissions received, the only thing I wish to add is that New South Wales instigated an inquiry into the funding of non-government schools prior to the last federal election, some three to four years ago. That inquiry was colloquially known as the Grimshaw review, after the chair of that inquiry.

Unfortunately, we are yet to see any data on funding from that inquiry, four years down the track. Certain information is contained within that inquiry which would be of great use and benefit to this inquiry and to the Australian community generally. If the inquiry were able to receive any information from those quarters, I am sure it would be of great assistance. I say this only to illustrate that these things take on very prolonged life histories of their own, and it would be of great benefit if we could have a dialogue of the nature that the AEU puts forward in its submission, via a more complete inquiry.

Senator TIERNEY—I would like to start on the drift in enrolments from public to private schools, which is perhaps more pronounced in New South Wales than in other states. Does the federation have a strategy for this or are you making suggestions to the department of education on what you think they should do as policy?

Ms Leete—The federation has over the years worked with the Department of Education and Training around issues of enrolment in public schools. Sometimes that has been very informal and sometimes it has been more formal, depending on other variables at the time in terms of the nature of the relationship between the union and the department. We believe in particular that the public education system has great strengths and great things to offer the community across New South Wales. We have always actively promoted that.

Ms Edsall—The federation has taken initiatives to the department of education and we have worked together on thinking particularly about the promotion of public schools via mechanisms such as public education days and various other joint activities.

Senator TIERNEY—There seems to be a particular problem in New South Wales, particularly in Sydney. The wealth of Sydney seems to be generating a greater drift to the private system than in other areas of Australia. What specific strategies are there? You have made a

number of general statements but what specific strategies are you suggesting occur to arrest that drift or even reverse it?

Ms Leete—As Sally has indicated, we have put forward particular proposals—

Senator TIERNEY—Which proposals? What initiatives?

Ms Leete—We were talking about public education days and material that has been produced collaboratively by the Department of Education and Training and the Teachers Federation around statements about the values and purposes of our public schools and those sorts of things.

Senator TIERNEY—Just promotions, not policy or funding changes in any way?

Ms Leete—Our view is that where this shift is happening a very significant contributing factor is the additional funding that is provided to non-government schools, and in particular the quality of the physical provisions—the buildings, facilities and resources—available to non-government schools.

Senator TIERNEY—Non-government schools are funded at a lower level by all levels of government in total than public schools are. This extra resourcing is by private provision from parents paying fees, surely.

Ms Edsall—Some non-government schools may well be funded to a lesser degree. We believe, and are led informally to understand that the Grimshaw review may show, that other non-government schools on an actual school by school basis are indeed funded from government at higher levels than some comparable public schools.

Senator TIERNEY—Really? I would like to see that.

Ms Edsall—That is where we go back to our problems—we do not have this kind of information available to us.

Senator TIERNEY—We have the overall information; we may not have it school by school. It shows quite a disparity, and I would be surprised to see any private schools funded at a higher level per student. I would be interested to see you come up with that data.

Ms Edsall—No, I would like to see you come up with the data through the inquiry, with respect. I think that is your job.

Senator TIERNEY—I think the funding figures will show that what you are saying is very wide of the mark. You were critical of the way in which the federal government is providing money. What sort of criticisms are you making of state governments in terms of their provision of funding to public schools? The Commonwealth has increased its funding each year over the last eight years by between five and six per cent. The funding increase by state governments across Australia—New South Wales seems to be the worst culprit—has been between two and three per cent, barely keeping pace with inflation. This government, like many governments, is into debt retirement as a policy priority. What moves is the federation making to try and change the state government's priorities to actually deliver more funding to public schools?

Ms Leete—Let me assure you that that takes up a very great proportion of the work of the New South Wales Teachers Federation.

Senator TIERNEY—But it has not changed.

Ms Leete—We are involved extensively every year in the production of a very detailed pre-budget submission which, whilst arguing for significantly increased resourcing for public education, also makes some difficult political decisions in terms of priorities for that funding.

Senator TIERNEY—What level of success have you had in that?

Ms Leete—Most certainly we have advocated for significant funding increases.

Senator TIERNEY—What level of success have you had in achieving that?

Ms Leete—We have not had the level of success that we would like to have had. We have had some success in terms of some particular funding initiatives and programs to address the needs of the government school sector, particularly in relation to class sizes, the expansion of preschool provision in New South Wales, and programs to address the needs of those schools that are serving very severely socioeconomically disadvantaged and marginalised students. We have had considerable success there.

Senator TIERNEY—There is a notional figure—

Ms Leete—If I could just finish—

Senator TIERNEY—We only have a limited amount of time, and I would like to ask this question.

CHAIR—The witness was asked a question and she is entitled to answer.

Senator TIERNEY—The witness has answered the question and is going on from it, and I have limited time.

Ms Leete—I have not finished answering the question. I would like to draw your attention particularly to section 5.2.2 of the AEU submission, which I think very concisely puts our position that we do not exonerate state and territory governments in any way in relation to the current funding situation. We do argue, however, that the Australian government is deliberately exacerbating the situation by adopting this policy of divided responsibility.

Senator TIERNEY—By funding public schools at twice the rate of the state governments?

Ms Leete—We do not accept that the Commonwealth government does not have responsibility for public schools.

Senator TIERNEY—In relation to the question of just keeping pace with inflation in terms of state government funding increases, what do they say to you when you put to them that all they are doing is keeping pace with inflation and they are not really improving the system at all? How

do they answer that, given the state that the public schools are in? They have the major responsibility for funding—88 per cent of the funding.

Ms Leete—Clearly, they answer it in terms of some of the things that you have referred to about the retiring of public debt and those sorts of broader political parameters within which they believe that they are operating. The Teachers Federation has worked and will continue to work with groups of people who have alternative views—in particular, the three principal organisations in the public sector and the parent organisations in the public sector—to continue to argue the case. Despite what you assert is our lack of success, we will not resile from putting forward those arguments to state and territory governments. In this inquiry we have the opportunity to say something, and in a federal election year we will say a great deal in relation to the role of the Commonwealth government in funding public schools, which we assert should be an absolute priority for the Commonwealth government.

Senator TIERNEY—I hope you are equally assertive when you come to the next state government election. Our funding increases are double the state government funding increases.

Ms Leete—Let me assure you that that is my daily work.

Senator TIERNEY—Let us hope you are equally assertive. It has been put to us that the treasuries of various states do not actually mind the drift from public to private schools because it actually saves those treasuries money. Have you put a counterview to government on that sort of cost-saving measure?

Ms Leete—We have heard that kind of thing asserted as well, and our response to it is that we would argue that governments need to think beyond the electoral cycle. They need to think about the role that public education has played in bringing the young people of this nation together and the need to have a strong and well-resourced public education system as this nation faces the challenges of the future.

Senator TIERNEY—It has been put to this committee that the SES model, which has now been adopted across the private school system, is not perfect. I believe the federation takes the view that we should go back to the education resource index model, which has been widely discredited, particularly the way it finally ended up before it was changed to the SES one. Would you explain why you are supporting the ERI model?

Ms Edsall—It is interesting that it is asserted that the ERI was widely discredited. The only inquiry I can recall into the ERI preceded the 1996 election. That was via the McKinnon review. The federal election interceded and we never really had a resolution from the McKinnon review. Certainly in transcripts from that review some quarters discredited the education resource index. We are not arguing that. I believe the AEU submission addresses this in greater depth than the Teachers Federation submission does, and no doubt the AEU officers have addressed this. We are talking about a modified index which would take into account the total resources available to schools, not unlike what some parties within the private school system themselves advocated.

Senator TIERNEY—How would you overcome what was a major flaw of that ERI system towards the end where private schools were actually not fully declaring their assets? The index in the end was not really showing this, so the whole thing was completely distorted in the end.

Ms Edsall—I do not have an actuarial background or a background in modelling but I would say that, in the same way with rorting of any government system which involves public moneys, there has to be ongoing scrutiny in the same way that perhaps the SES system has come under some scrutiny by various parties. I am sorry that I cannot provide you with an actuarial model of scrutiny.

Senator TIERNEY—The government of the day seems to be the main culprit in that it started with a reasonable system and then it kept modifying it in response to various pressures, so we ended up with a totally distorted system that did not really accurately reflect the resource index. That is why it became discredited and that is why it was all changed. I would like a bit more confidence that, if we ever went back to such an approach, it would actually work a lot better than it did last time.

Ms Leete—I do not think that we can make public policy on the basis that 'we cannot introduce a system like this because we think that people will rort it'. I suspect that people will attempt to rort any system. The public policy challenge in that context is to ensure that there are proper reporting, accountability and regulatory mechanisms in place to address that.

Senator ALLISON—Ms Leete, I would like to clarify a comment that you made earlier. You seemed to be suggesting that, in order to attract students back to the government sector, we needed to take money away from the non-government sector. Do you not accept that at least part of the reason for the drift away from government schools might be the lack of resources in schools? Wouldn't that lead you to suggest that there needs to be a higher level of funding?

Ms Leete—Yes, I would agree with that. I referred to what we see—and it can be seen in the suburban streets of Sydney and in our regional centres. In so many cases, because of the age of our public schools, if you look at their physical facilities, their physical appearance or their external surfaces, by any measure many of them look rundown and unkempt. Some of the policies of this New South Wales government around privatisation of services such as maintenance and school cleaning have exacerbated that. In terms of the physical facilities that are available—the computer laboratories, swimming pools and halls that are increasingly being seen as standard requirements, particularly for secondary schools—the government sector clearly is seriously under-resourced.

Senator ALLISON—On that point, you talk about the temporary demountable classrooms that are typical in schools in growing areas. What about more broadly? As a Victorian, I can tell you that it is certainly the case that Victorian schools pretty much all have demountables, some of them sitting there for 25 years. What is the situation in New South Wales?

Ms Leete—Basically I would have to say that the situation is fairly similar, although one of the things we were able to achieve in our lobbying of the New South Wales government ahead of the last election here was a program that that government is putting in place to, if you like, retire demountables and move to a situation where the demountables are used for what was their original intended purpose—that is, very short-term temporary accommodation. We have huge concerns—and we referred to this in the submission, as you point out—about the fact that in those areas where there is very substantial population growth the provision of public education begins with rows and rows of demountables. That parents see that as the alternative to an

extremely expensive and well-resourced private school that has just been built creates some huge difficulties.

Senator ALLISON—You do not refer to the conditions that teachers work in. Can I invite you to tell the committee where you see them being in need.

Ms Leete—As often happens with teachers, they tend to focus on their students and their school resources. In New South Wales about two years ago now, there was a major review into public education. It is generally referred to as the Vinson inquiry and was headed up by Professor Tony Vinson, who gave some very graphic descriptions of the kinds of inadequate physical facilities in which teachers were working: staffrooms with 18 or 20 people in them and books that were piled up to the ceiling—those sorts of scenarios.

Senator TIERNEY—Did anything happen as a result of that inquiry? Was there any change in public policy?

Ms Leete—The New South Wales government would tell you, if they were answering the question, that they made some commitments at the time of the last election in relation to capital expenditure in government schools and that that was in response to some of those issues that Professor Vinson uncovered. We would say—

Senator TIERNEY—Are you sure it was not our federal money doing that capital work?

Ms Leete—that it was completely inadequate.

Senator ALLISON—You cite a couple of schools which have been closed, yet other non-government schools have opened in the same area. Have there been more closures—other than the closures of Waterloo Primary School and Erskineville Primary School?

Ms Edsall—In terms of closures, that was all. There were others that were planned and mooted, but community campaigns stopped those closures.

Ms Leete—And there have previously been other schools closed. Going back to the days of the Greiner-Metherill government in New South Wales, there were a number of primary schools closed, despite the fact that there were private schools opening.

CHAIR—In Victoria we had government schools being sold to private schools.

Ms Edsall—That has happened here in a couple of instances. I might add that Maroubra High School was one of the ones they closed. That may have been omitted from the submission. That was sold to a private French school.

Senator ALLISON—Could you clarify whether the closure of these two schools and those others you have mentioned already left potential non-government school students without the choice of going to a government school?

Ms Leete—One of the most significant examples of that would be in relation to what was Castlecrag Infants School, which, it has to be said, was in a fairly wealthy area of Sydney.

Castlecrag Infants School was closed down by the Greiner-Metherill government, and the parents in that community were told that their children could enrol at Willoughby Public School, which was, in the government's view, the nearest public school. That school was across a seven-lane highway, and it was a complex bus trip to get to school. Subsequently, the Castlecrag Infants School site was leased by a Steiner school, and a significant number of parents, for a range of reasons—many of which were to do with difficulties they had transporting their children to Willoughby Public School—subsequently enrolled their children at the Steiner school.

Senator ALLISON—You talk about marginalisation of the public sector, and you cite a number of percentage enrolments of Indigenous students, students with disabilities, and so on. To what extent is the large number of selective schools in New South Wales a factor in that misdistribution, if you like, of students with special needs?

Ms Leete—I am not sure what you mean.

Ms Edsall—In terms of the whole system or on a school by school basis?

Senator ALLISON—In terms of your argument that there is marginalisation.

Ms Leete—Putting aside the issue of students with disabilities, for example, there are areas of Sydney where what we would refer to as marginalisation of coeducational comprehensive high schools exists, as a result of a selective government high school being in the same area. As a result, there may be a community perception that the local comprehensive government school is somehow second-best or for those who do not win a place in the selective government school. That is an issue.

Ms Edsall—I think the interplay of selective high schools works in a couple of ways. There is one group of parents who, having discovered that their child has not made it into, if you like, the academically selective school, will send their child to a private school within their affordability range, and there is another group of children who are creamed off before even the selective schools. I notice that the private schools have put their scholarship exams forward in the calendar year, so they now take place before the selective schools tests. We have anecdotal evidence, from various parent groups and from individual parents, of parents being directly approached and their children headhunted from private schools—children who may be dux of school and so on. It occurs in some geographical areas more than in others—in more advantaged socioeconomic areas.

Senator ALLISON—Thank you.

CHAIR—We heard discussions this morning about the Commonwealth providing 12 per cent of funding for the operation of the public education system. Yet, under this bill, there seems to me to be a very large number of new conditions that are being applied. We have heard a great deal about the flagpoles, yet there is no provision in this bill for flagpoles. There is, however, a discretionary clause in the bill that allows the minister to determine certain matters—such as the Prime Minister's photograph being on every classroom wall, if he so chooses.

Ms Leete—That has not happened just yet.

CHAIR—No, not yet; but it is consistent—

Senator TIERNEY—It is an excellent idea.

CHAIR—You see, the senator says it is an excellent idea. My point is this: do you believe that, with 12 per cent of the funding, the Commonwealth should have such a disproportionate say in the running of public education?

Ms Leete—Our view is that the Commonwealth cannot have it both ways. On the one hand, they essentially say that public education is not really the responsibility of the federal government. On the other hand, they seem to want to dictate not just the age of entry into school but also the nature of the curriculum and the nature of the selection processes that are used to employ the staff in those schools. We find that pretty amazing. Frankly, we see it as evidence that the Commonwealth government's approach to public education is underpinned by a particular ideology and a particular view that somehow public education is not performing—or maybe by a desire to create a perception that public education is not performing. We find that very disturbing.

CHAIR—But the Teachers Federation in this state is not a states rights organisation, is it?

Ms Leete—The Teachers Federation is not a states rights organisation, and it is one of the reasons we have argued—we have said this in the submission, and I will draw your attention to recommendation 1 in our submission—the Commonwealth government needs to make an absolute commitment to a high-quality public education system for all Australians.

CHAIR—It strikes me that there is a dilemma here. On the one hand you say that you want a national education system, you want national consistency, you want national quality assurance and you want all political parties to commit to the primacy of public education—and I would suggest to you that perhaps a progressive government might use these powers in a different way from a reactionary government. Take, for instance, the issue of league tables. The policies pursued by the Kennett government were strongly resisted in Victoria, but if there was a national government they may not have been implemented. The league tables principles are not being supported by a number of state governments at the moment. This piece of legislation may see that as national policy and override the political position of various state governments.

Ms Edsall—I think we are supportive of the MCEETYA process, which at least endeavours to develop a collaborative mechanism rather than a one-government dictatorship.

CHAIR—That is the standard response we are getting around the country. The word 'national' means collaboration here; it does not actually mean that one tier of government imposes a view on the other. Is that the principle that you are putting forward to us?

Ms Leete—Yes, it is.

CHAIR—Where do you stand in regard to your own union's position? When I read your submission I sense that it is not actually at one with the position of the national union, the AEU. For instance, you are actually arguing that not only should private schools not receive public subsidies but some should in fact be closed down. That is the case, isn't it?

Ms Leete—Yes.

CHAIR—That is not the national position of the AEU, is it?

Ms Leete—Consistent with our view around the MCEETYA process, we have a process which actually works fairly well in terms of the way the teaching unions operate—that is, we have both a national body and individual state unions. I am reasonably comfortable with a view that our submission is not identical to the AEU's submission. We would strongly support the underlying principles in the AEU submission, as I did at the beginning.

Ms Edsall—The AEU has a policy position that is opposed to the funding of private schools.

Ms Leete—Its submission makes that clear.

CHAIR—When I read it, I see the AEU's position as being that of 'greater priority' of funding to public education, not the withdrawal of funding from private schools. Would that be a fair reading of their submission?

Ms Leete—If you are looking at that recommendation of the AEU, I think you should compare it with our recommendation 1. You will see that there is a different emphasis. We accept that there is a different emphasis. We are comfortable with that.

Ms Edsall—Both bodies argue—and I think this is the critical issue around funding—the nexus argument. That is about the nexus between funding via mechanisms such as the AGSRC or the resource regimen in New South Wales, which at the moment cannot enable a priority in terms of betterments in public education, because there is an automatic flow to the private sector. So it does not matter how much government decides to pour into public schools; they could increase the amount of spending on public education 3,000-fold tomorrow and yet the nexus would deliver the same adjustments in the private education sector.

CHAIR—Yes, that is right. The indexation essentially is the core of that.

Ms Edsall—Yes, that is right.

CHAIR—And I think there is a substantial—

Ms Edsall—I think that is the key issue which both submissions address.

CHAIR—That is right. And the apparent inconsistency in the application of different indices for different educational programs, the variation from 1.8 through to 7.2 or 7.4 per cent, is the essence of their point there. But you also say in your submission:

> The Hawke and Keating governments' ... policies ... were heavily biased towards private providers.

When I read the AEU national office submission, I see that Haileybury College in Victoria has had an increase of 291 per cent; Mentone Girls' Grammar has had an increase of 278 per cent; Frensham, 282 per cent; Trinity Grammar School has had an increase of 258 per cent; Toorak College has had 254 per cent; and Geelong Grammar School has had a 251 per cent increase in

funding under this government. I am just wondering: how do you justify the argument that the Hawke and Keating governments were heavily biased towards private providers, in the wake of this empirical evidence of the change that has occurred?

Ms Edsall—We also said that it was exacerbated and has run away under the Howard government. Graph 1 in the AEU submission at 5.1.1 shows the diminishing public school share of Commonwealth funding by tracing it back to the crossover point of funding as a proportion, a share between public and private. That crossover point was in 1981, and since 1981 there was the growth in the trajectory of private school funding. So I do not think that the Howard government can be wholly responsible for that growth trajectory.

CHAIR—In view of your submissions that there are a range of subsidies given to the non-government sector that are not calculated in the reporting requirements, how would you see that situation changing? What would your recommendation to the committee be to address that issue? I am talking here particularly of the interest rate subsidies that you referred to.

Ms Edsall—Yes. One of the reasons for our submission and for any other state based submissions under the AEU umbrella is to bring to the inquiry's attention the variation in the kinds of subsidies that are offered by state government. Once again, we would have to go to the MCEETYA process on a national or federal level—however you want to draw the distinction between those two words—and talk. All we are drawing the committee's attention to is the fact that your inquiry is in the context, also, of significant state based contributions to private school funding. And, where the Commonwealth government often tries to argue that their responsibility is primarily for private schools because the states' is for public**,** we are saying, 'Hold on a minute. Please also take into account that the state governments have adopted significant responsibility themselves for private school funding.'

CHAIR—Finally, on the question of disabilities, you say on page 9 that private schools actively remove students who are more expensive to educate, including those with disabilities and others. What is your evidence for that?

Ms Edsall—It is funny you should say that, because just on Friday a piece of paper crossed my desk in which a particular private school—a religious based, non-Catholic private school in New South Wales—put out a flyer to parents soliciting enrolments, but the basis upon which kids were allowed to enrol was that the child had to achieve within band 5 of the basic skills test, which is the top 20 per cent of achievers at primary level.

We have significant evidence from our membership, who constantly report to the federation that they are enrolling in public schools students who have been asked to leave private schools on the basis that their final exam results are not going to be good enough or that they have behavioural difficulties. We have also seen in this state the spectre of a private school rejecting enrolments of students with particular needs before they even enrol, to the point where parents have challenged it within legal jurisdictions.

CHAIR—Can you give us some examples of that, either now or on notice?

Ms Edsall—I can certainly do that on notice.

CHAIR—You draw our attention to what you say is a growth in the number of students with disabilities in government schools. You say there has been a 39 per cent increase since 1988. Is this evidence that there has been a shift away from private schools or that the private schools are not fulfilling their obligations, or is this a reflection of changes in the definition of what is a disabled student?

Ms Leete—The figure that we have referred to—and we quote some other figures on this matter in our submission—comes from Professor Tony Vinson and his inquiry into public education. He was given full access to the data that the DET had at the time, so we have to assume that those figures are in accordance with the government's records. We put that dramatic shift down to a number of factors, but what we see as the main one is the policy of including students with disabilities in regular settings. As you are aware, that is a national and, indeed, global movement. Previously, in many cases those students would have been educated in a government setting but in a special education setting, be it a special school or a special class. We find—and we certainly hear these anecdotal reports, particularly from school principals—that the students who come into our schools from the non-government sector and who, it is subsequently discovered, have quite significant needs are often young people who have an undiagnosed disability or issues that perhaps are not easily given any kind of label in terms of the way their behaviour manifests in, for example, the classroom.

CHAIR—Thank you very much for coming in today.

Proceedings suspended from 10.57 a.m. to 11.25 a.m.

CONNORS, Ms Lyndsay Genevieve, Chair, New South Wales Public Education Council

CHAIR—Welcome. The committee prefers that all evidence be given in public. However, it will consider any request for all or part of your evidence to be given in camera. We have before us submission No. 52. Are there any changes that you would like to make?

Ms Connors—No, thank you.

CHAIR—I now invite you to make a brief opening statement.

Ms Connors—I would like to begin by explaining that the New South Wales Public Education Council's role is to promote public education in the state and to give the New South Wales minister independent advice on broad directions for maintaining a high standard public school system in the state. I should say quite clearly that the views expressed in our submission are those of the council itself and not necessarily those of the New South Wales minister or the New South Wales government. I wish to speak here on behalf of the council and to confine my comments as far as possible to the matters the council has taken up in our submission.

The reason we prepared a submission for the inquiry is that New South Wales public schools are profoundly affected by the Commonwealth's funding policies. We are concerned at the effects for public schools of the lopsided relationship that has developed over decades between the roles and responsibilities of the Australian government and the states and territories in the funding of government and non-government schools. One of the effects that is now visible of this structural imbalance is that the energies of the Commonwealth government and its bureaucracy have been progressively taken up with their relationship with non-government school authorities. As we know, these are many and varied. This has led, in our view, to neglect of the Commonwealth government's interest in, and even their understanding of, the work of government school authorities and the country's large public school systems.

The current schools funding package diverts a growing share of public funding to the non-government sector. What is happening is that the need to justify this growing imbalance away from government schools has created a climate where the Australian government has increasingly become an advocate for non-government schools and for the students and families they serve and apparently indifferent to the nation's public schools. It has even come to the point where claims have been put forward that the rationale for the progressively higher funding of non-government schools can be found in the Australian Constitution or that there has been a formal agreement between the states and territories and the federal government that it should shoulder a disproportionate responsibility for funding non-government schools. That misleading claim has been stated from time to time in the Australian parliament yet never substantiated. It has certainly misled numbers of people who have repeated the claim publicly. The fact is that the Australian government has no constitutional obligation to fund schools of any kind: it may choose to fund schools, both government and non-government.

Public resources are finite, even in a comparatively wealthy country like ours. The focus of this inquiry is on the billions of dollars being provided by the Commonwealth—the bulk of it in the form of general recurrent grants to government and non-government schools. I think it is

important to understand the nature and significance of those dollars. What do they buy? These are dollars provided primarily to cover teachers' salaries—the major cost borne by school authorities. So in a sense what the Commonwealth is really distributing here are publicly paid teachers. What we should really be focusing on in this inquiry I guess is the question of which schools and which students should get those teachers and what conditions should apply. It helps to think in practical terms what the dollars mean when they reach schools.

I would also like to say that we need to understand that children are growing up in vastly different circumstances, some of which are far more conducive to success at school than others. But whatever their circumstances, they are never of children's own making. We are going to ask the inquiry to recommend that this funding package be revised so that those teachers are allocated to the students who need them most and so that all children and young people share those educational opportunities that will broaden their options for further education and employment and their life chances generally, because we believe that this will also provide the best return to our nation for its investment. Thank you.

Senator TIERNEY—You are quite critical of the funding policies of the federal government. Do you have a view on the funding policies of the state government in relation to public education?

Ms Connors—First of all, I believe this inquiry was largely focused on the Commonwealth, and I should say that. I think there is a view throughout the public school system—and I believe it would be shared by the Public Education Council—that there needs to be an alignment as far as possible. We accept there will never be enough public money to fund all parents' aspirations, but there does need to be a rational connection between the hopes and expectations we have of our schools, the jobs we ask of them and the public funding we are prepared to invest. There is cause for concern on the part of Australia generally that our level of public investment is falling short of what our aspirations are for our children.

Senator TIERNEY—Let us go to that, because 88 per cent of the funding comes from the states and 12 per cent comes from the Commonwealth. The thing I am particularly interested in in light of your criticism is the way that funding has moved over time, particularly over the last 10 years. If you average that, the Commonwealth has put up its contribution to the state schools by five per cent to six per cent a year. The states—in particular, New South Wales, which would be the worst performer—have put it up by about two per cent to three per cent, basically failing to keep pace with inflation. The figures I have seen show that the costs of education broadly rise by about six per cent to seven per cent a year. That means that if the states are putting it up by two per cent to three per cent they are actually falling progressively behind. What has your organisation said to the state government, which is the major source of funding for public schools, about the fact that it is progressively falling behind and barely keeping pace with inflation?

Ms Connors—If we are arguing that it is progressively falling behind the rate of increase from the Commonwealth, our advice to the state government would be that that is an illogical statement; it is a complete furphy. The Commonwealth's funding to government schools over recent years has been entirely through the indexation mechanism, which is a relatively generous one. It is a lagged reflection of what the states have been putting into schooling.

Senator TIERNEY—What about the lag in the state money over nine years?

Ms Connors—If the Commonwealth is now putting in what I think is about seven per cent at the moment—

CHAIR—It is a little bit more; 12 per cent.

Ms Connors—No, the indexation rate; the rate of increase. That means that about 18 months ago the average of what all states were investing was about seven per cent.

Senator TIERNEY—But it was not. If you look at the figures, it was around about two per cent to three per cent.

Ms Connors—I am sorry, but that cannot possibly be right.

Senator TIERNEY—I have been following it at every budget estimates for eight years.

Ms Connors—That is because the Commonwealth engages in some statistical sleights of hand and it compares—

Senator TIERNEY—That is easy to say. Let us go back to the basic fact that the state is putting it up at a very low rate. Let us focus on that. You are the adviser to the state government, so what are you saying to the state government about their low priority for public schools in their total funding picture in New South Wales?

Ms Connors—I am saying to the state government that the Commonwealth statistics are a furphy.

Senator TIERNEY—So you think the way the states are approaching the funding of public schools is okay?

Ms Connors—I have said already that as a nation we are not investing enough publicly. But in relation to this particular matter—it is quite important—the mechanism by which the Commonwealth funds government schools is through indexation. That indexation, as I understand it, is based on average government school recurrent costs. New South Wales—

Senator TIERNEY—Okay, but regardless—

Ms Connors—Can I finish?

Senator TIERNEY—Can we stick to the point?

CHAIR—Senator Tierney, you have asked a question, and the witnesses are entitled to answer—

Senator TIERNEY—The witness is answering her own question. I would like her to answer my question.

CHAIR—I disagree with you; she is entitled to answer the question you have asked her.

Senator TIERNEY—Let us get to the basic point of what we are talking about. The states, within their powers, can increase funding in state education, transport or roads to whatever level they like. They can put it up, regardless of what the Commonwealth does. What has been shown, particularly over the last nine years, is that it has a low priority. It is only going up by two to three per cent. What is your organisation saying to the state government—let us stick to the question—about this lack of priority for public education?

Ms Connors—I do not want to answer something that I think is not factual.

Senator TIERNEY—Who do you represent?

Ms Connors—New South Wales is a third of the country.

Senator TIERNEY—Absolutely.

Ms Connors—So when a federal government's index is based on average expenditure from states, which it is—the average government school recurrent costs—it is going to be very reflective of what New South Wales spends. It is quite possible that average government school costs might deviate sharply from what a very small state or territory—say, the ACT or Tasmania—spends, but it is going to be highly reflective of what the large states spend, and New South Wales is the largest. I am not accepting the fact that the Commonwealth has increased its investment in public schools in New South Wales at a higher rate than New South Wales. I do not accept that because I understand the mechanism, and it is statistically impossible.

CHAIR—I will ask this question to help clarify. The statistics that have been quoted here come from government press releases, prepared by Mr Evans in the department of education. Is it your understanding that they are based on the state budget analysis on a cash basis whereas the Commonwealth budget allocations are on an accrual basis? Would these different measures give us some guidance as to how it is that they get different interpretations of the different levels of budgetary allocations?

Ms Connors—They would; that is what I am saying. I am not an accountant and I do not want to get into the mysteries of cash and accrual accounting—

CHAIR—That is very wise.

Ms Connors—but if you want to make the sort of statement that Senator Tierney is making you must compare real with real.

Senator TIERNEY—I would like to return to my question. Could we just go back to who you represent, Ms Connors?

Ms Connors—Yes.

Senator TIERNEY—Who exactly does the New South Wales Public Education Council represent?

Ms Connors—The members are appointed by the state minister to give independent advice.

Senator TIERNEY—I see, so it is just an instrument of the state government?

Ms Connors—Yes, to an extent: to give independent advice.

Senator TIERNEY—I am glad you are here because the state government has refused to turn up today. They are not coming, so we can take you as a representative of the state government.

Ms Connors—No, you cannot. I am sorry; we give independent advice to the state government.

Senator TIERNEY—You are appointed by the minister and you give them independent advice?

Ms Connors—Yes.

Senator TIERNEY—That is interesting. Let us go back to the Vinson inquiry. Did your organisation have anything to do with the establishment of the Vinson inquiry?

Ms Connors—No.

Senator TIERNEY—That was the Teachers Federation and the P and Cs.

Ms Connors—It was set up subsequently to the Vinson inquiry.

Senator TIERNEY—What is your view on the criticisms of the New South Wales education system by the Vinson inquiry? Have you advised the state government in relation to those?

Ms Connors—The council's view is that many of the recommendations of the Vinson inquiry were very sound, and numbers of those have been acted upon by the New South Wales government.

Senator TIERNEY—A number of them have?

Ms Connors—A number of them have.

Senator TIERNEY—Which ones have been acted on?

Ms Connors—Particularly the arrangements for the funding of professional development. The Public Education Council was highly supportive of the move to reduce class sizes in the early years of schooling. We are still looking. I am not trying to evade answering your question. Of course there are many improvements that could be made. In terms of Commonwealth-state relations, we have to understand that the Commonwealth is the main revenue raising government and to some extent—

Senator TIERNEY—But not the money spent on public schools; it is only 12 per cent.

Ms Connors—But that is to an extent affected by the funding that comes from the Commonwealth.

Senator TIERNEY—Could we stay to the question, please. Which of the Vinson reforms were not acted on?

Ms Connors—A number of those reforms are really about betterments, now, of existing arrangements in New South Wales. The Public Education Council is really focusing and, to answer your question, we are progressively giving advice, which has to be comprehensive, to the minister about improvements that could be made. We are working on those and treating the Vincent inquiry paper as a working paper for our council.

Senator TIERNEY—How long ago did the Vinson inquiry report?

Ms Connors—I am not absolutely sure. I would have to take that on notice; I think it is about 2½ years.

Senator TIERNEY—So you have mentioned, in reality, that something was done with professional development. Could you just explain in a nutshell what happened with professional development? What did they change?

Ms Connors—The funding has been increased for professional development, and more of the funding has been placed in the hands of schools to determine how it should be spent at the local level.

Senator TIERNEY—What sort of percentage increase?

Ms Connors—I would have to take that on notice.

Senator TIERNEY—It is an appallingly low level. This Senate committee held two inquiries—one into gifted children; one into children with disabilities—and one of the issues in both of those inquiries was what happened with in-service training of teachers. We discovered the low rate of funding not just in New South Wales but actually around the country. We are pleased that that has changed to some extent.

Moving on, a view has been expressed to the committee that state treasuries now have a strong influence over schools' policies, and it has been put to us that they do not mind the drift to private schools because it actually saves the treasury money. If a higher proportion is in private schools, it does not cost the treasury so much money. Have you got a view on that? Have you put any advice to the government on that view?

Ms Connors—The Public Education Council view on that would be that the funds that come back to New South Wales for education really originate from New South Wales taxpayers. We would be quite opposed to either government reducing the future of public education to a matter of cost-shifting between governments. Quite clearly we need to look at that holistically and there needs to be a partnership. I have got no evidence that that is a view held by state treasury but, if it were, it would be a very strange view to take from the perspective of those concerned about the actual provision of education to children here in New South Wales—that we should just have

some kind of accountancy argy-bargy between governments. I think that is a most unfortunate view to be taking.

Senator TIERNEY—Surely it is not so much a matter of it being between governments; it is a matter of it being within a particular government. The priority of that sort of shift may be, say, retiring government debt or something else rather than keeping up with the real costs of increases in education.

Ms Connors—I really cannot comment on that. I have got no evidence.

Senator ALLISON—What has arisen a lot in this inquiry is the question of funding for need. I wonder if you could offer a view about a shift further towards funding for need and what impact that might have on overall enrolments in terms of government versus non-government students. In other words, if the Commonwealth withdrew some of the money for the wealthier schools—and we know that represents the smallest proportion—and gave it to the poorer schools, is it likely to increase enrolments in non-government schools, or would we have the same situation?

Ms Connors—I think it is very difficult to comment on that. The Public Education Council certainly accepts the fact that we will always have a mixed system—we always have had—and I think it is very difficult to understand what drift there may or may not have been to non-government schools and the extent to which public funding is implicated in that. If we look at countries that do not fund non-government schools, certain types of non-government schools have increased in the last few years, so I think it is very hard to comment on that.

I am most comfortable commenting from the perspective of the public school system itself. There is no doubt that some parents perceive that the level of resources available to their children in public schools is not adequate for their aspirations and that some of those who can afford it feel they would like to buy a higher standard of resources by sending their children to high fee or moderately high fee private schools. I think it is untenable that, if parents' real preference were for public education, they should be in a sense forced out, or feel forced out, by a relative lack of resources in public schools.

Senator ALLISON—You make the point in your submission that scarce resources for schools should be allocated to the greatest public good. Some would argue that, by increasing the non-government sector, governments are in fact saving money because, regardless of the level of subsidy, it is still a lot cheaper than educating students in government schools and that, if you shifted more students across to the non-government sector, you would have more money to spend on those who remained. How do you respond to that suggestion?

Ms Connors—Clearly that might be more rational if private schools were privately funded. My first response is that I do not regard saving money on education as the whole purpose here. I think public investment in education is in the public good. There are many ways to save public money, and not all of them are beneficial or good—I would like to say that first. We have compulsory education—there has to be at least one place for every child—but people argue that there should be public subsidies for unfettered parental choice. If we are to fund more or less infinite parental choice, are we going to fund two, three or 10 school places for every family to

choose from? It does not add up. In the long run, you can have publicly subsidised choice, but you cannot have it and save public money.

Senator ALLISON—You quote McGaw as saying that Australia should be challenged to 'level up', and that this has been shown to be possible by the governments of other countries. Can you expand on what you mean by 'levelling up' and perhaps cite the countries where this has happened?

Ms Connors—I have heard McGaw speak publicly. In fact, the Public Education Council sponsored a presentation by Barry McGaw when he was here. When you add, as we do, to the policies of endlessly filleting and segmenting the population into a kind of stratified school system by segmenting schools into all sorts of different levels of resources and other differences between them—and of course that can happen just through geographical stratification—you tend to force to the bottom those schools and students that are weakest in the market. Clearly there are market forces in education. There is nothing sinister in that. As parents attempt to advantage their own children, as schools attempt to enhance their own reputation and as teachers attempt to establish a rewarding career, those market forces operate. When you add to this by, in a way, fortifying those who are strongest in the market, you force to the bottom those who are not. In particular schools, you end up with large concentrations of students who, to do well in school, are most reliant on their school. This is often done with a very low level of resources in comparison to the clientele they are serving, and that drags down the overall effort.

I think Barry McGaw is saying that the role of government is to mediate those competing forces and intervene in ways that make opportunities more equal, and that we should have a smaller tail than we have. We do have very high achievement but to some extent, compared to other countries, it looks as if it is at the expense of a significant number of students who have relatively low levels of achievement. Nobody is arguing that one should deliberately intervene and remove opportunities from those who are well off and whose parents can give those opportunities to them, but surely it is the role of government, and in the national interest, to ensure that we do not have a group of undereducated, underperforming students who are alienated and unable to find a niche in society. I think that is what he is saying. It is not about 'levelling down'. When people talk about equity, we often hear about the politics of envy, dragging people down and all that sort of thing. But Barry McGaw is saying that you need to lift the performance at the bottom: even if you cannot remove the gap, you can have a much better floor.

Senator ALLISON—Is it your assessment that the gap between those provided with advantage in the education system and those that are not has grown both between sectors and within sectors?

Ms Connors—It is, for a range of reasons, not all of which are inside the school sector. But, as McGaw has said, there is no other country in the world that permits schools outside the public sector to combine public funding and unregulated fees in the way that Australia does.

Senator ALLISON—Could you give the committee the benefit of your council's thinking on this whole question of national school standards? Have they changed in recent decades? Has public funding kept up with those expectations? Rather, I think, firstly, we have a sort of a set of standards, although they are not spelt out. Should they be? And secondly, is there forming at

least in some quarters amongst parents an expectation that those standards need to be lifted somewhat? What work has been done by your council on parental expectations?

Ms Connors—I should say that we are a fairly modestly resourced body. The best way for me to answer that is to say that, no, we have not done work independently ourselves on that. We support the directions being taken in MCEETYA to have a look at the national goals for schooling and try to establish some kind of rational connection between those and the resources required in all schools for children to meet those. That will never be perfect. I do not think it is possible to specify, 'This amount of resources is needed to achieve that outcome.' But it can certainly shed light on the relative needs of students in schools and the difference among school communities in a way that I think could be quite beneficial.

Senator ALLISON—You point to some interesting statistics about the downward trend in enrolments over the next few years, which I do not think we have had in other submissions. You say that in New South Wales, for instance, there are likely to be 65,000 fewer primary school students by 2020 and that that will have a detrimental effect on the public sector, heightening competition and causing viability problems. You also say that this is going to vary from sector to sector. Are you suggesting that that 65,000 will largely be drawn from the public sector?

Ms Connors—I think we are into a very complex area and one that I believe the Commonwealth has paid inadequate attention to. The whole of our public/private school policies were developed in the context of really overwhelming growth in the school population. The main worries of governments were: how are we going to cater for this burgeoning baby boom? Now we are going to face a levelling off and a slight decline. I think we all know how difficult that is. The government school system bears the real responsibility for ensuring that school places are actually near where children live. That is a requirement upon the state government. So in a way it is the provider that has to meet the peak of the population in a certain area and I think it is the provider that takes the weight of dealing with the enrolment decline. The places had to be supplied when the population was there; then when the population declines and shifts to another area a state government still has to provide new schools in that growing area, but it has now got many under-used schools in established areas. You can see what a difficulty that is, especially when the growth in the other sector is relatively unplanned.

Senator ALLISON—But does this suggest that perhaps the government sector schools need to be a little more flexible than they have been shown to be over recent decades in terms of the numbers of students that are within them? We have seen a lot of state governments closing down government schools, which are subsequently being occupied by non-government schools at much smaller levels of enrolment. In fact, I would suggest that perhaps some of the low-fee end of the non-government sector has benefited hugely by this often largesse on the part of the state governments in handing over property. What is a way forward to deal with the fewer enrolments, which will be quite significant in some areas?

Ms Connors—This is not a very satisfactory answer to your question, but it is a matter we have before us at the moment. It is a very complex matter. Even if you look internationally, it is very difficult to close schools while some parents want them kept open, and it is made more difficult when there is a double standard. For instance, governments are prepared to subsidise schools for one group of parents in the non-government sector while they would, on probably perfectly reasonable grounds, say schools should shut in the government sector. I am not

suggesting that you cannot have good small schools, but you do lose flexibility and economies of scale if you have terribly small schools in areas where you do not need to have them. In some areas you do. I wish I had the answer to it, but it is a very important part of our submission that is not receiving adequate attention.

Senator TIERNEY—Supplementary to that, surely in the private sector most schools start as small schools but they happen to grow into big schools. They do not stay small. You would not have too many that start small and stay small forever.

Ms Connors—In the non-government sector?

Senator TIERNEY—Yes. I would like to see a list of such schools.

Ms Connors—Yes. I understand the point you are making. Certainly, from my past experience, it is the case that some schools that start very small will grow into quite large schools, but some do choose to stay small. I can think of some that have actively refused to grow larger.

Senator TIERNEY—Often they get defeated by economies of scale, particularly if they get into secondary schooling.

Ms Connors—Yes, exactly.

Senator TIERNEY—A school in my area tried to stay at 600 students and it ended up with 1,200 because of options in senior secondary.

Ms Connors—Suppose that happens with a school—I have some schools in mind—and the general population declines. It is open to non-government school authorities to change their admission procedures. Maybe while there was unmet demand they had been academically selective or had certain criteria.

Senator TIERNEY—A lot of them could broaden their regional draw.

Ms Connors—Yes, they could broaden their regional draw, they could relax their religious requirements or something like that.

Senator TIERNEY—They more generally draw from further afield if they get into that position.

Ms Connors—Yes, they do.

Senator ALLISON—Are you satisfied with the system of registration of non-government schools in New South Wales? Are schools being registered willy-nilly? Is there enough scrutiny of the provision of curriculum, the qualification of teachers, and so forth? What are the standards, in your view, and should they be tighter?

Ms Connors—New South Wales has had an inquiry, which I think is still in progress, under Warren Grimshaw, to look at this issue. At this stage I do not feel that I should speak on that

issue on behalf of the council. Certainly the first report dealt with regulation and accountability issues and I think the second report will deal with funding. I really cannot add in detail to that, except to say that the trend in New South Wales is to tighten the registration procedures in terms of teacher qualifications and such issues.

CHAIR—I will ask you a question relating to a statement in your submission. By the way, it is a very good submission. I cannot say that about all submissions to this inquiry on this occasion. The statement reads:

Between 1995 and 2005 the Commonwealth will have raised real outlays per student on non-government schooling in Australia by some 50 percent. Over the same period the non-government schools' share of total enrolments are estimated to have increased by some 4 percentage points.

Quite clearly there is a disparity between those statistics and the government's claim that they are merely funding enrolment drift.

Ms Connors—Yes.

CHAIR—What evidence do you have to back up those statistics?

Ms Connors—I should be careful here. I can follow this up.

CHAIR—You might want to take the question on notice.

Ms Connors—Yes.

CHAIR—It is an extremely important point and, if it can be demonstrated with further evidence, that would be very helpful for our report.

Ms Connors—I did not bring the figures with me, but we can give you backup evidence on that.

CHAIR—You also state in your submission that you think that the effectiveness of this policy has essentially been to exacerbate social stratification in schooling. How do you think that happens? How do the government's funding policies exacerbate social stratification in schooling?

Ms Connors—I guess we have given you one piece of evidence there. An upfront fee is immediately a barrier to quite significant numbers of families and I think that we could do with more investigation into that. We certainly have the evidence of the Victorian inquiry that a significant number of lower income Catholic families are not able to access the Catholic system, so there you already have stratification. Those students go to the government system.

CHAIR—You are saying that. Barbara Preston's work also highlights that disproportionate numbers of poor people are attending public education facilities. I have seen other analysis of census districts—

Ms Connors—Exactly. The census data.

CHAIR—which basically highlights that a disproportionate number of working-class families attend public education and, conversely, a disproportionate number of middle-class families attend private schools. So to what extent do you think that the enrolment drift that has occurred can be accounted for by a withdrawal of confidence in public education by sections of the middle class in this country?

Ms Connors—I think that one would have to agree on the basis of the evidence that we have. Again, I would need to be careful but I do recall a study a few years ago—I would have to look it up again—showing that the parents who educated themselves in the government system and who then got degrees put their own children in the independent system at a disproportionate rate. So I think there is truth in what you are saying. I think that Tony Vinson has expressed the view that for some parents there is a concern that with its necessary emphasis on fairness and equity there may be less academic rigour in the public system. I do not think there is actually any evidence of that but I think that is a perception. I participated in discussions on behalf of a forum run by one of the big television stations and almost every person who spoke there—and it was only a small group of about 50 people—about their decision to send their children to non-government schools mentioned the lack of resources in government schools.

CHAIR—Is it also the case though that for sections of this country's population they are not just buying an education, they are buying a ticket to society, to social mobility? To what extent do you think that affects people's educational choices?

Ms Connors—I think it is very hard to generalise. I think that we need to be very wary. The non-government sector embodies quite disparate aspirations really. Undoubtedly what you are saying is part of it: that education is becoming more of what economists call a 'positional good' and you are thinking that you are buying your child a place on a ladder of opportunity.

CHAIR—I draw your attention to the work of Dr Louise Watson, who tells us in a recent study prepared in June of this year:

> We estimate the total average operating resources per student in each independent school in 2004 and compare this to the average resources per student in government schools. We find that 27 per cent of private school students in our survey attend schools where the income from tuition fees alone exceeds the average resources per student in government schools. These schools receive $368 million per year in government grants that assist in raising their total average resources per student to more than 62 per cent above average State school resources. Overall, 55 per cent of private school students attend schools where the total average resource level per student is higher than the average resources in government schools.

Are you familiar with that study?

Ms Connors—I have read that paper.

CHAIR—Is it the council's view that, when considering the question of resource allocation, the total resources of the school should be part of the calculation?

Ms Connors—Definitely. I was asked before about need. I think that need should definitely be the educational need of students for tuition, really, and not some attempt to achieve some kind

of financial incentives or rewards or whatever for parents. The focus of the scheme should definitely be on the resources available to students to assist them to learn in schools.

CHAIR—In terms of the national goals of schooling, do you think that sort of disproportionate resource allocation will further social stratification and will it enhance those national goals of schooling?

Ms Connors—No, it will not. It will make them harder to achieve. I think it is quite possible to bring more private money into education without affecting overall the achievement levels of the whole student body. I think that is what we are seeing happening. I have before me a statement from the Commonwealth minister which is quite extraordinary given the figures you have quoted from the Louise Watson article—and she is a very reputable researcher. For the first time the Commonwealth government is actually going to provide more funding to the independent sector than to the whole of the public school system over the 2005-08 quadrennium. I find that quite an extraordinarily perverse set of public funding priorities from any government.

CHAIR—Thank you very much for coming today.

Ms Connors—Thank you.

[12.06 p.m.]

McMILLAN, Mr John Alexander, President, Australian Government Primary Principals Association

SCOTT, Mr Geoff, President, New South Wales Primary Principals Association Inc.

CHAIR—Welcome. The committee prefers all evidence to be given in public. However, it will consider requests for all or part of the evidence to be given in camera. The committee has before it submission No. 64. Are there any changes or additions that you would like to make to that submission?

Mr McMillan—No. I have some reports I would like to table. I am not sure whether your committee has had access to these pieces of research. I would like to refer to them when I speak.

CHAIR—The committee would be happy to accept supplementary material to your submission.

Mr McMillan—You may already be aware of them; I am not sure.

CHAIR—Perhaps you could give them to the secretary, and they may be of assistance to the committee. I now invite you to make a brief opening statement.

Mr McMillan—As President of the Australian Government Primary Principals Association, I represent over 5½ thousand government primary principals throughout Australia. Our organisation is made up of a senior executive from each state government primary association. We meet on a pretty regular basis. We are a pretty new organisation in that we only commenced operation with the name of the Australian Government Primary Principals Association in 2000. Since then, a lot of our work has dealt with these particular pieces of research, which I would like to table and leave with you at the end of the hearing. The first initiative in July 2000 was to undertake a survey of all primary government principals in Australia. We had a survey result of probably 52 per cent. This was written up in the first report called *Our future*. The author of this research is Professor Max Angus from Edith Cowan University in Perth. The report was released in February 2001. As a result of that two things happened. The first was that at the July MCEETYA meeting in that year, MCEETYA decided to undertake a review of the funding of all schools. The second thing that happened was that Dr Kemp, who was the federal minister at that time, decided not to cooperate with the review but provided the money to research primary schools.

I must make it clear here that the Australian Government Primary Principals Association is also a member of the Australian Primary Principals Association, which is made up of independent, Catholic and government school principals. It is the overarching body. This research, *Our future*, was taken up under the auspices of APPA, the Australian Primary Principals Association and has been taken forward in a campaign. As a result of this there has been a MCEETYA review, which has not been released but I know has been completed, and I will refer to that later. There have been two reports, the first is called *Resourcing of Australian*

primary schools: a historical perspective and the second report, which was only released by Dr Brendan Nelson on 27 June, is called *The sufficiency of resources for Australian primary schools.* Could I ask you if you have seen that research to this date?

CHAIR—No, I have not seen, in particular, the first report, I am not aware that it has been released and the committee has not been made aware of it.

Mr McMillan—As I said it was only released on 27 June.

CHAIR—You said there is another report that has yet to be released.

Mr McMillan—That is the MCEETYA report, which I know informally MCEETYA has completed, but it has not been released.

CHAIR—Could we have a look at those documents?

Mr McMillan—I may need to refer to them.

CHAIR—We can wait.

Mr McMillan—I apologise for the lateness of our submission but Geoff and I are principals as well as office bearers of organisations and I had to do it in the school holidays, to tell you the truth. I have based a lot of it on this research of Max Angus because that has been the major initiative that our association has been involved in. The first part of the report deals in five or six general principles that we believe should be corrected or certainly looked at in the current system. The first of those is that a major analysis of the funding of all schools be undertaken. We do have this MCEETYA review, unreleased as it is. We do have this information here and we recommend that if this is not sufficient to sway governments into reconsidering the way that primary schools are funded and the provision of levels of resourcing to primary schools then we should have further investigation. The *Our future* report pointed to the fact that the 2½ thousand principals that responded to it all said that their schools were underfunded, that they had very little flexibility in which to operate given the changing circumstances within schools and generally that we were the poor cousins of our secondary colleagues.

If you look at the second review by Max Angus, you will see that it gives a historical perspective of the funding of schools over the 20th century. Starting back in the late 1800s, when they were founded, government secondary schools were funded to an extent that they were able to compete with the existing grammar schools, which were elitist and well funded. That pattern has continued with primary schools rolling along underneath that funding pattern and not gaining any betterment over the years. In fact in various stages if you go through the 1900s there were unqualified teachers, differentials in pay and differentials in all sorts of funding patterns. There has never been a thorough and comprehensive examination of the funding of primary schools, particularly government primary schools, until this Max Angus review. There is nothing. The only other review that was anywhere near the mark in my opinion was the Peter Karmel work that was done in the 1970s. So I bring the importance of those pieces of research to your attention.

We have talked about some of the funding models. We are not disagreeing totally with the SES model that exists at the moment but we are saying that there are great inadequacies in it that should be examined and that other particular models should be looked at. For example, we informally have been told that the MCEETYA review has established a benchmark level for the funding of children to achieve the national goals. They have actually gone and researched what it takes a certain school to achieve the national goals and the benchmarks in literacy and numeracy. They have then said that every school is different and that there are other factors that will affect the success or non-success of the school. We know that that benchmark exists and that they have evidence there. It may be that it is not the perfect solution, but it is certainly one that should be looked at.

On page 3 or 4 of the submission we take up three issues with the government funding at the moment. The first is that the AGSRC says that it takes $6,000 to educate a primary student and $8,000 to educate a secondary student. We would take issue with that, and ask where the evidence is. We believe that the MCEETYA review has established a lesser differential for the funding of primary and secondary. The second issue is a long-running anomaly: the federal government pays primary schools 8.9 per cent of $6,000. Our secondary colleagues in the government system get 10 per cent of $8,000 and our colleagues in the independent and Catholic systems get as a minimum 13.7 per cent of $6,000 and $8,000, rising to maybe 80 per cent.

We have argued for some time that we surely must be equal to a secondary college and why shouldn't we have a percentage of 10 per cent of $6,000, at the very least? We believe that that differential is wrong, and that we should be getting 13.7 per cent of whatever figure is established as a base funding level for primary and secondary schools. We think that the MCEETYA report contains that information. I cannot be sure of that. But whatever it says, we believe that the funding of all schools should be based on a benchmark, and that the total income of, or funds available to, schools should be taken into account when any school is funded. Our colleagues in the Catholic and independent systems support this stance. At the annual general meeting of the Australian Primary Principals Association on 27 June that was carried as a motion. That is the second recommendation.

The third recommendation concerns transparent reporting systems. We believe that all systems should report in a clear and coherent manner. I overheard Lyndsay Connors talking about that to you. The fourth recommendation is that a review for the establishing process of new schools be undertaken. We believe that many of our primary schools are being threatened by new systemic and independent schools in areas where new schools are not required. In areas where the population is stagnant or declining, new schools are being established and, therefore, draining children from their already existing good public primary schools in those areas. We are not saying that new schools should not arise. We think they should be curtailed and there be only a number of them.

Part B deals with all the specifics of Max Angus's recommendations. These constitute the motions and the thoughts of, not only the Australian government primary principals, but also our colleagues from the independent and Catholic authorities. Some of these repeat themselves and I apologise for that, but as I said, this is a stance being taken by our association. We seek transparent funding systems that clearly demonstrate the level of funding and spending on primary education at both national and state levels. We believe that governments should stop blaming each other. We can give you instances in the press where our own state government here

in New South Wales, the federal government and other state governments keep passing the buck. If you look in some of Max Angus's research here, it is almost impossible to figure out what is being paid by some systems, and who is paying it. One of the things that is made clear in the research by Max Angus is that primary principals are not aware of where the money is coming from, of how much other schools are getting, and that there are a lot of very non-transparent funding patterns in, in particular, the government system.

We call for a full and immediate review of the SES model for funding—I think I have already spoken about that. We are talking about instructional systems. We support evidence based systems, which should be funded and implemented in all schools for students with needs. This would include pressure by governments to ensure educational systems form active partnerships to research the outcomes of learning. Recommendation 5 states, 'A focus for primary schools should be on evidence based teaching related to literacy and numeracy'. Max Angus's research shows that over 90 per cent of students in primary schools achieve the national benchmarks in literacy and numeracy. There is no doubt about that. When the achievement level of the benchmarks of government schools is compared between the states, you find that in New South Wales it is something like 92 per cent and in one of the other states it goes down to something like 67 per cent. But we do not achieve the national goals.

As you would be well aware, the national goals involve more than literacy and numeracy. Max Angus instanced some of them. He says that LOTE is not available in many low SES schools or to students in their early years. I would say that LOTE is not available to the vast majority of primary schools in Australia. He goes on to say that religious education was often omitted from the curriculum of government schools because schools struggled to find suitable voluntary instructors, that physical education was cancelled in bad weather due to a lack of suitable indoor facilities, that specialist science teaching was uncommon and science was taught infrequently by primary generalists, that a large proportion of schools were struggling to keep their computers and computer networks in working order and, overall, that during the nominated week there were schools that did not allocate instruction time to all of the above. One of the other points that he makes is that student intake has a huge bearing on a school's capacity to achieve the national goal—that is, the socioeconomic status, the outlook and the educational support of all students. Thus principals of schools with lower SES intakes tend to regard the statement of national goals as laudable but idealistic.

One thing to include when talking about the achievement levels is instructional systems. An instructional system is something like reading recovery. Reading recovery is a New Zealand program that deals with the deficiency of a child's reading by having a teacher and a child work together on a daily basis for a set period of time. It is not something that is done on a group or a class basis. It is highly labour intensive, but it works. There is much research evidence to suggest that it does. One of the failures of reading recovery is that a child, whilst they might receive reading recovery in year 1, has a lot of schooling left after that. It is similar to bringing people up to speed in running or swimming: if you do not continue the intensive work, the achievement level falls. What we need to do with reading recovery is to implement programs and support structures in schools that support those children. Many schools, including mine, do that, but it takes resources that we have to find from somewhere else or teachers and parents who do it through goodwill. There are also schemes in mathematics that can be used to raise the level of achievement in literacy and numeracy at that level. Max Angus's research shows that over 33 per cent, or a third, of a day in all primary schools is spent on literacy and numeracy and that there

are many examples where schools spend up to 50 per cent of a day in bringing literacy and numeracy achievements up to the highest level they can get.

Senator TIERNEY—You spent some time at the beginning of your submission talking about the differentials in funding between primary and secondary. Surely you accept there is a differential in costs: it is more expensive to run secondary schools than primary schools.

Mr McMillan—No, we do not—and I might bring in my colleague here, Geoff Scott, if that is okay. We would put forward many arguments that the costs are not different, in many instances. There are probably other instances where they are different, and that may be in the provision of specialist services such as in science. We would argue that a high school in New South Wales, a secondary school in its building programs, is provided with a computer room. In primary schools they are not, and we would ask why. What is the difference? If students are going to learn skills and become literate in technology, the information skills, they need to be accessing the best possible facilities for computers and other technology at a very early age. Perhaps Geoff might like to talk to some of the issues which have been identified in New South Wales.

Mr Scott—The New South Wales Primary Principals Association represents over 1,800 principals, professionally, of primary schools, central schools and schools for specific purposes—SSP schools. Our schools range from very large primary schools with over 1,000 students down to the very small primary principal 6 and primary principal 5 schools that might have seven, eight, nine, 12, 15, 30 students servicing isolated communities. The Primary Principals Association has done some research, and I would like to offer copies of some facts to the inquiry that indicate the parity issue between primary and secondary education.

CHAIR—Additional documents?

Mr Scott—Additional documents. Looking at some examples of the lack of parity between primary and secondary education, student per capita funding, for example, for a primary student in New South Wales is $54.40 and for a secondary student is $99.60. Our research indicates that you could find great difficulty in justifying almost twice the student per capita funding for a secondary student as for a primary student. Other areas include school administrative and support staff entitlements, and we have given some examples in the documents there of the enrolment bands for both primary and secondary schools and the differential staffing in that area. Salaries for principals, assistant principals, head teachers and deputy principals at primary and secondary schools are quite noticeably different, favouring the secondary sector. Other examples show relief time for preparation and other duties associated with running schools and running classrooms, and global budget allocations and administrative grants. These are examples from the New South Wales system which are pretty well reflected across Australia. The New South Wales Primary Principals Association is an affiliate association of the Australian Government Primary Principals Association, and we fully support the submission that AGPPA has put in to this Senate inquiry.

Senator TIERNEY—Was this research done by Mr Angus or is it different?

Mr McMillan—No. This research was done by New South Wales isolating—

Mr Scott—This is the New South Wales PPA.

Mr McMillan—the disparities that occur in New South Wales.

Senator TIERNEY—But who did the research?

Mr Scott—We did as a primary principals association.

Senator TIERNEY—Did you have any experts helping?

Mr Scott—The status of this is what actually happens in schools. This is the amount of per capita funding that government schools in New South Wales receive in primary and secondary sectors.

Senator TIERNEY—What does the Secondary Principals Council think of the primary principals council views on parity of funding?

Mr Scott—The Secondary Principals Council in New South Wales agrees that the primary sector is underfunded. We do not have any argument. Both of us agree that the primary sector is underfunded, is historically underfunded and continues to be underfunded in comparison with the secondary sector. Where the disagreement may come is where the additional funding to increase the primary—

Senator TIERNEY—Not from them, presumably.

Mr Scott—One would assume that that would be their opinion.

Mr McMillan—They are pretty adamant about it, yes.

Senator TIERNEY—I should say so. I will move on to another issue relating to new schools in areas. You say that private schools are not required because of population shifts in the area, which comes down to the question of parental choice. The only way a private school attracts students is if parents actually want to send their children there, so in a liberal democracy why shouldn't they be able to do that?

Mr McMillan—We believe that choice is a reasonable factor in people deciding a particular path for their children's education. Our argument is that these new schools are taking away not only enrolments but funding that could go to make the local public primary school a better place in which children can work, and I am talking in terms of properties, class sizes and all sorts of issues. We believe that local primary schools have been an integral part of a huge number of communities. I know that they vary from the country, where I have spent most of my life, to the city but they are very important social and educational institutions. Saying that something else is going to be better and then starting up something new is not a good use of resources. I think the area of choice for parents is to provide them with the chance of a good education for their children in a public school without saying that the public school is crook so we will go and set up a new school in its place. I do not think that is a reasonable argument in terms of choice.

Senator TIERNEY—But often it is not actually about setting up something in its place. A lot of these private schools have a regional locality focus. They do not necessarily draw just from the suburb that they are in; they draw right across a very broad area depending on what basis they were set up.

Mr McMillan—I can instance for you a good public school in the middle of Newcastle which lost a huge number of children to a new Anglican school that was set up. I can give you instances on the South Coast where the same thing has happened. Geoff can talk about Blacktown.

Mr Scott—My school, Blacktown South Public School, is in the western suburbs of Sydney. It is a school of 730 students, from kindergarten through to year 6. We are in competition in that local community with a Catholic primary school and also an independent Anglican primary school. I have been principal of the school for 17 years. We have coexisted successfully. Our concern is that, under the funding arrangements at the moment, it is becoming increasingly easy for any group to determine that they will set up a school in that local community. If you are talking about the right of parents to choose, ultimately they can choose not to send their children to school and they can home school and so on. But that breaks down the Australian expectation of school standards and how education is provided to students in the primary years. In our situation in this western suburb of Sydney, we have three fairly large primary schools servicing and providing choice for parents. We are quite happy with that arrangement in that we believe that, given funding arrangements that are fair and equitable across the sectors, we can compete certainly on an equal footing with the independent and Catholic schools.

Senator TIERNEY—Your submission calls for one-line budgets for primary schools. I thought you had a global budgeting system. So what is outside the purview of your global budget?

Mr McMillan—One of the things that the research has shown is that we get lots of tied grants that we cannot use on different things. There is a lot of criticism of systems that provide rigid funding schemes. You will find that if you have 250 children you get X number of teachers. If you lose one child, you lose one teacher, because the total goes down under the magic numbers. We believe that is too rigid. There are other examples—not only in government schools—where money has been given to schools for a program that has been decided by bureaucracy but the schools' needs are otherwise. They may have put in a program in bike education or something like that—I just use that as an example—when the school would have preferred that particular money to be used for literacy. We are saying that there are many regimes of funding in all bureaucracies that are far too rigid and that we do not get the flexibility to spend the money on the needs of the children in our schools.

Senator TIERNEY—If some of that tied funding is, for example, for a child with a disability and it is allocated on a certain category level, surely you have to spend that funding on the child.

Mr McMillan—Yes, that is true, but we cannot spend it in other ways.

Senator TIERNEY—You would not want to if it is for disability.

Mr McMillan—What I am saying is that we do not want to spend it in other ways, but that funding may just meet the basic needs of that child rather than provide the extra things. Schools

have to penny pinch and get other funding. My particular school, which is in a middle-class suburb—it is called Denistone East Public School—provides extra funds and extra time by juggling staffing in our school and also through the global budget. We rob Peter to pay Paul—and that is also in this research. We have to do all these sorts of things in schools to meet the needs of those students in our jurisdiction.

Senator TIERNEY—What other things would you like in the purview of your global budget that is not there now?

Mr McMillan—One of the things we would like—and I think New South Wales would be a prime example of this—is some flexibility to bring in extra staff to meet the needs of children. If you look in the research of Max Angus, you will see he talks about the fact that one child in a primary school, particularly in a smaller school, can disrupt the whole joint. It might be that they have emotional problems or that they have learning problems. It is particularly difficult to manage children that take up much of the time of a teacher, a principal or a deputy principal. We would like to have the flexibility to be able to provide the support, whether it be a teachers aid or extra teaching staff in the school, to better meet the needs of that child. It might be for only a short period. It might be for months or it might be for a year, but it is not ongoing. We do not have this flexibility to meet those particular needs. That is what we are talking about.

Mr Scott—I think the flexibility is dependent on funding. We are able to be flexible within the very limited funding bucket that we have at the moment, but if the funding of government schools is to match the broad spectrum of students that we service as the main system of public education in Australia then we need additional funding and we need a fairer and more equitable funding basis for primary schools within that government sector to enable us to have that flexibility so that we are not having to rob Peter to pay Paul, as John suggested. We would actually be able to provide for the wide diversity of student needs that we cater for on a daily basis in the public school system.

Senator TIERNEY—What do the state governments say to you when you put this to them?

Mr Scott—State governments say, 'Go and talk to Canberra.'

Senator TIERNEY—I am talking about flexibility with the money that they give you.

Mr McMillan—I think we have had a favourable talk with the bureaucracy and the bureaucrats in New South Wales. Just about every state in Australia has made submissions to its state government about the funding of primary schools, and some of them have made great gains. In fact I would have to compliment the New South Wales government. From next year on, we are going to have an average of 20 students in a kindergarten class, 22 students in the year after, in year 1, and so on.

Senator TIERNEY—They were forced into it by the last political campaign, if I remember, but it was a great outcome.

Mr McMillan—But it has been a campaign that we have researched and promoted for a long time.

Senator TIERNEY—It was Liberal policy, if I remember.

Mr McMillan—I will go back one little step. I was the principal of a K-to-12 school for eight years where I had 200 primary children and 200 secondary. I was funded under different regimes in both parts of the school, and I can tell you—and I know this is old hat now—that when we got a requisition out for supplies there were different charges for secondary that were cheaper than for primary. There was also a lot more fat, in that you had spare staffing that you could be flexible with and there was also money that you could be flexible with. That is the difference.

Senator TIERNEY—What school was that, by the way?

Mr McMillan—Denistone East Public School. It is in Ryde.

Senator TIERNEY—And it was K to 12?

Mr McMillan—No, K to 12 was Portland Central School, near Lithgow.

Senator TIERNEY—Okay.

Mr McMillan—I have also been the infants 'mistress' at Brewarrina Central School!

Senator ALLISON—Can you enlighten the committee on the history behind the 1.1 per cent difference between the federal government's contribution to primary and second schools? Does it have any rationale?

Mr McMillan—There is none. There have been moves by the various states. The minister from Queensland did make a submission to the MCEETYA meeting in November of last year about it, and I know that our representatives from New South Wales have made submissions about it as well. It is worth $80 million a year.

Senator ALLISON—To New South Wales or Australia wide?

Mr McMillan—To Australia. I know it is a drop in the bucket, but it is something.

Senator ALLISON—You have made a useful suggestion that there be a review of resourcing of each of the eight learning areas in order to ensure that student learning in each area meets national goals. How easy will this be to do? We have funding levels at present that are based, it seems to me, on fairly ad hoc criteria. Is that an opportunity for a more rational approach to funding? Who, if anyone, has done some work on what this might look like?

Mr McMillan—There are a couple of issues there: one is the crowded curriculum. Has that been brought to your attention?

CHAIR—Yes, several times.

Mr McMillan—Primary schools get hammered from all sorts of directions to bring in programs on a whole range of things, most of which are very valuable. But the school day is limited. Remember I said that Max Angus has shown that some schools, where literacy was a

huge priority, devote anything up to 50 per cent of the day to literacy and numeracy. Where do you fit the other six KLAs? That is the big issue. Work is done on integrated curriculum, and the Board of Studies New South Wales has done some of that work. There is material available, particularly for the smaller schools. But, overall, that issue has not been tackled. There is also the question of funding for facilities. At the moment we have issues of obesity and physical fitness of children and the availability of some facilities. We also have the issue of science. Science in primary schools does drop off, mostly because of time. You can gain much more from science in units that are written and integrated. That might involve maths, science, literacy and art for that matter, but it takes time to write them and implement them and all sorts of things like that. There is some work, but it is quite—

Mr Scott—I make a point, too, that John and I started teaching in the public education system in New South Wales 40 years ago. When we started there were 1,425 teaching minutes every week in primary schools. There are still 1,425 teaching minutes every week in primary schools. When we look at the curriculum that we were expected to teach in 1964—when we both commenced—we see that the curriculum was contained in one single book. If you were to look now at the curriculum for primary schools—still to be taught in 1,425 minutes teaching time every week—you would see that it would fill this table and more. The concerns that we have as principals are that our teachers are struggling under the workload, trying to do the best they can, and the resourcing levels are critical to enable those good teachers to be able to do that work.

Senator ALLISON—I nearly always ask a question about facilities. It seems to me that there are huge differences both between sectors and within sectors. If you are building a new government school right now, you will probably get a multipurpose indoor facility for a gymnasium, performances and so forth, but certainly in my home state there are many schools that can only dream of such a facility. What is the situation in New South Wales in terms of working to an audited benchmark of basic facilities? Is it ad hoc? Does it depend on how good the school is at making a submission?

Mr Scott—There is a building code, and the building code is applied to new buildings, so that schools that are built in 2004 meet a certain minimum standard. However, you are quite right in that schools that were built in 1959—as mine was—struggled to reach any sort of comparable building code. It is just too difficult, too expensive to bring those older schools up to meet the modern building code.

Senator ALLISON—I am not referring so much to building codes and standards as entitlements to particular kinds of facilities.

Mr Scott—The code encompasses that. It is not a building code that says, 'The building will stay up and not fall down.' It is a building code that says: there will be provided for this number of students this sort of facility. It may be a computer laboratory, it may be a school assembly hall or it may be a food service unit. Whatever it happens to be, that is the code that is accepted. We have problems with schools that have existed since before the turn of the last century. We have a lot of work to catch up on to bring those schools up to appropriate standards.

Senator ALLISON—Has that been assessed? Can you give the committee a figure?

Mr McMillan—There is a program in New South Wales where halls are part of it. Other facilities are being introduced, but there is still a need. I have to confess that I am getting a brand new school built at the moment. It will be finished by Christmas and the standard of its facilities is excellent. My school has 710 children and next year it will probably be a bit larger. Although we do not have access to a computer room, we have been able to juggle things and get some extra money off the department to build a computer room. But we are going to do a lot of the slog ourselves and also put in some of our own money. I mention that particular facility as an example. But the total school, which is funded by federal and state government, is a marvellous place.

Senator ALLISON—I have asked about the gap between facilities in new schools and what needs to be done to existing schools. Can you put a figure on the sort of investment needed to bring all schools up to that standard?

Mr Scott—That is a good question.

Mr McMillan—It needs a lot of money—a huge amount. You would have to ask our properties area.

Senator ALLISON—Has an audit been done of New South Wales primary schools?

Mr McMillan—Yes. Without doubt, our department would have that information. I am sorry to dob them in, but it is true.

CHAIR—Thank you very much. We appreciate your giving evidence to us today.

Proceedings suspended from 12.45 p.m. to 2.46 p.m.

BONNOR, Mr Chris, President, New South Wales Secondary Principals Council

KING, Ms Judy, Deputy President, New South Wales Secondary Principals Council

CHAIR—Welcome. The committee prefers that all evidence be given in public; however, it will consider any request for all or part of your evidence to be given in camera. The committee has before it submission No. 23. Are there any changes or additions that you would like to make?

Mr Bonnor—No.

CHAIR—I now invite you to make a brief opening statement.

Mr Bonnor—Thank you for inviting us to make this submission. I will ask Judy to make an opening statement for two minutes and then I will follow her.

Ms King—The Secondary Principals Council represents 460 public secondary schools in New South Wales. We are extremely concerned about what we perceive to be the flawed nature of the SES funding formula, which has been used to federally fund schools since 1999. We note that the Karmel report, which is now 30 years old, at least tried to categorise schools into 12 different categories, eight of which were designated categories of need. We wonder whether it is time to reconsider the whole nature of the flawed SES funding formula.

We are also very concerned about the new schools legislation. It is very important to consider that legislation and not just the States Grants Act and the funding formula. It has been open slather. Lots of new schools have been established in New South Wales, essentially fundamentalist Christian and fundamentalist Muslim schools, and we are really concerned about the divisions that they create in a 21st century democratic Australia.

We also wonder where the notion has come from—the notion that we have even heard our Prime Minister articulate on occasions—that the federal government looks after private schools and that the state governments look after public schools. As far as we know that is not in the Australian Constitution, and we wonder if that is a recent development and is actually sustainable in the funding formula.

We are also interested in how the New South Wales government implements the funding formulas. We note with alarm that our formula in New South Wales of 25 per cent of all public school resources automatically flowing on to private schools is a very difficult mechanism for us. If there is a teacher salary increase or if more students with disabilities enrol in the public schools, at greater cost to the system, that automatic flow-on to private schools seems to us to be unsustainable. We also note their exemption from the anti-discrimination laws, and we find that very difficult to live with as well.

Mr Bonnor—I want to pick up where Judy has left off. Our submission presents an on-the-ground impact of current and previous funding regimes. This is an impact that is felt by government school principals in particular. In fact, the issues raised in our submission may well

be uniquely raised by principals because we have a micro view of our schools and a macro view of the education environment. And while this is a competitive environment we believe that, if it were in the commercial world, it would not survive the rules of competitive practice.

Barry McGaw, from the OECD, has demonstrated that Australia is at odds with other countries to the extent to which publicly funded private schools can combine private resources with government funding to achieve a substantial advantage over the public system. But it goes further than this—and Barry McGaw does not go far enough—because not only has the private system greater discretionary resources but also their day-to-day operation is bound by far fewer rules and constraints in comparison with public schools. This difference in operation as well as funding inequities are creating a public system which is less able to implement the goals of the Adelaide declaration.

If you look at the reasons that parents shift from public to private, you see that they considerably reflect the aspects of school operation which were included in the table in our submission, including such matters as school discretion over enrolments, suspension of students, recruitment and dismissal of staff, and regulation over such matters as school uniforms. Public schools cannot move their operation too far in those areas without running up against a host of legislation and regulations designed to provide schooling access to all, procedural fairness, antidiscrimination and so on.

We argue that the private system has to move. The track record of private schools varies considerably. By default or by design, they can avoid catering for students from particular groups, can impose and enforce standards of their own choice and can summarily despatch any student or teacher who does not comply. We say that this situation has proven to be unsustainable for public schools and if it goes on like this it will create a school landscape which is divided in ways which are fundamentally unfair and unjustifiable. That is the basis of our submission.

CHAIR—Thank you very much. It is a very good submission. Senator Tierney, would you like to start the questions.

Senator TIERNEY—Thank you, Chair. I would like to start on the views put to us this morning by your primary principals council colleagues. You probably missed what they had to say. In a nutshell, they were saying that this historical disparity between primary and secondary school funding is no longer justifiable because of the costs of primary education. They cited costs of computer rooms. I am sure if they had thought about it a bit more they would have also possibly cited additional resources that are needed to bring children who are falling behind in literacy and numeracy up to scratch. Does the Secondary Principals Council have a view on that? Do you have a view that funding should be the same per capita regardless of whether it is primary or secondary, or do you think the differential should continue?

Mr Bonnor—At the moment, we have a MCEETYA task force inquiry into resourcing of schools, and we are placing a lot of store in that. We believe that that is an appropriate process Australia wide to come up with a formula that is going to be appropriate. In fact, you will notice in our recommendations that we believe that many of the issues that we raise in the submission should also be examined in great detail by a MCEETYA task force, because we have a lot of confidence in what that process would yield. We do engage in these sorts of discussions with our

primary colleagues, and it is no great secret that we would agree on some areas and differ on others.

Senator TIERNEY—There is also the issue of one-line budgeting. Global budgeting came in about 16 years ago. How is that now travelling? Do you or the principals council feel that there are areas where more discretion should be given to schools—that perhaps you could have a larger global budget and perhaps the state education department could devolve a little more of the authority to the schools to run various aspects of your operations?

Mr Bonnor—Yes. We believe that, when we talk about the way that schools should shift to make an operational environment that is fair, government schools in New South Wales, and I suspect in other states, can move in this area. Our organisation certainly advocates far greater discretion to principals at the school level in relation to the allocation of resources.

Ms King—I might just add a bit to that. When you look at a lot of secondary schools' global budgeting and disposable income—putting the salaries to one side, because obviously they are paid centrally by the state government—you see that about 45 to 50 per cent of most schools' income comes from their global budget to use for educational programs and so on. So most secondary schools are relying on at least 40 per cent from parents' voluntary contributions—those who can afford fees—and, if you are lucky enough to be able to hire out your school, from outside hire and from fundraising, which varies considerably from one part of the community to another. It is very important to realise that a lot of schools are essentially a no-frills delivery unless they have access to different money to what is actually given to them by direct grant from the state government.

Senator TIERNEY—But formulas could be adjusted in global budgeting to take that into account, couldn't they? Obviously some schools have more capacity to raise outside money than others have. It could be adjusted in that way.

Mr Bonnor—Certainly in New South Wales the move is to actually reduce the formulas and combine the pools of money to give schools greater discretion in the way they spend money. This is a move in the right direction.

Senator TIERNEY—It that more than a thought? Is that occurring in your budgetary processes now, or is it a plan for the future?

Mr Bonnor—It is occurring now. If you look at the area of learning and development funding for schools, this has been devolved to the school level and we have substantial discretion over how that money is spent.

Senator TIERNEY—There are certain areas where you could not have discretion, aren't there? For example, disabilities money is allocated on the basis of how many children are in the school and the particular levels of disability. That sort of money could not be discretionary, could it?

Mr Bonnor—That is right, but what happens in that case is that in, say, the area of low-support needs for students, that funding is amalgamated and is no longer targeted for individual

students. It is devolved in bulk to the schools to make the decisions about priorities amongst young people.

Ms King—The problem with the devolution of disability funding is that, if you keep changing the parameters over the nature of disabilities the same amount of money covers, you have more students accessing the same amount of money. That is part of the problem because the disability lobby is extremely powerful.

Senator TIERNEY—Ms King, you seem to be a great advocate for the ERI system as opposed to the SES. The legislation went through in the year 2000 to establish SES and remove ERI funding. Both the Labor and Liberal parties voted for it in the Senate. Both major political parties—

CHAIR—I was real keen on that!

Senator TIERNEY—I know. I remember you lining up with us. That is true.

Ms King—Despite the previous shadow education minister, Michael Lee, promising that there would be amendments to the States Grants Act—

CHAIR—There were.

Ms King—supporting the Democrats—

CHAIR—There were amendments.

Senator TIERNEY—I cannot recall anyone being too enthusiastic at the time about retaining the ERI as it then existed, which was fairly discredited.

Ms King—I understand that, but you would appreciate—

Senator TIERNEY—Surely you are not suggesting that we go back to precisely what was there.

Ms King—No, but you would appreciate that there are significant problems with the SES formula too. If you have a large number of Aboriginal or disadvantaged families living in Casino and then somebody enrols from Casino at King's, the SES for the residential address of that student at King's would bring a very different perspective to the SES formula than if they had enrolled somewhere else. So there are huge problems with it. That has all been researched thoroughly by Melbourne University.

Senator TIERNEY—I know it has been researched thoroughly. I would have thought that the judgment was that there are minor problems with it. I think saying 'huge problems' is a bit of an exaggeration.

Ms King—It has helped to deliver vast amounts of money to already very wealthy schools without taking into account, as our submission indicates, the fees.

Senator TIERNEY—Let us challenge that because one of the problems and why the ERI went so wrong was how distorted it got across those 12 categories originally. With an adjustment to an SES, obviously there are going to be percentages going up and down. No downs, of course, because it is funding maintained in certain cases. But surely the more valid thing to look at is what the public funding is for that school as a percentage of the total funding. You will find in virtually all cases—it would be hard to find a case where it was not the case—that all non-government schools are funded at a lower level of total public moneys than public schools are. So that is the real thing to look at.

The obvious different, of course, is the $3 billion that parents put in in fees. That makes up the different. We heard from the Catholic system this morning that 60 per cent comes from the Commonwealth, 25 per cent comes from the state and 15 per cent comes from fees, on average. So there is still funding under the provision for students in public schools. Isn't that what we should be actually looking at?

Ms King—If any institution receives public money, we should look at ensuring it is publicly accountable. At the moment we do not know what fees they receive, how many properties they own, what sort of money is left to them in bequests or what sort of investments they have in the offshore money market. If we are talking about the elite, very wealthy schools, none of that is on the public record. So people who are voting for certain policies are confused and do not understand exactly what they are voting for. Surely if you are entitled to vast amounts of public money then the income that you already hold, which would somehow relate to the income you get, should at least be publicly on the table.

Senator TIERNEY—Surely, given that they are Australian children and their parents are taxpayers, they have an entitlement to public funding.

Ms King—I am not arguing that they are not entitled to it; I am arguing that we can do better.

Mr Bonnor—The point about our submission is that we know very well that these conversations will take place with many witnesses over the course of this inquiry, so what we have tried to do is flag some things that we strongly believe other submissions will not address and that, if left untouched, will damage government schools almost beyond repair over the coming years—increasing the damage that has been done. If we do not address that, we are all in strife as a nation.

Senator TIERNEY—We would be in greater strife if the private system disappeared and you had to find another $3 billion to fund the education system.

Mr Bonnor—We are not arguing that now, and we would really appreciate it if the issues that were raised here—which go to the heart of the way in which schools operate—were the focus of our exchange today.

Senator TIERNEY—Let us go to one of those in terms of funding. I go back to some of Ms King's comments regarding funds raised in private schools. They are getting a level of funding, particularly the old category 1 schools, that is way under the level of public funding provided to public schools. If parents pay large fees and they raise money, surely that is that school's business, isn't it?

Mr Bonnor—But of course what it does is what Barry McGaw raises. Australia is on its own. You have to look at countries like New Zealand or the Netherlands. Even private schools in New Zealand are not allowed to raise unlimited private funds to enable them to compete against public schools.

Senator TIERNEY—They have a more integrated system, so you cannot exactly compare the two.

Mr Bonnor—I understand that, but there are ground rules there. You do not have to go to an integrated system to establish rules that are fair. What we are asking for are rules that are fair.

Senator TIERNEY—Are you suggesting that schools be prohibited from raising extra funds to educate the children in that school if parents want to do that?

Mr Bonnor—I do not know what the rules of commercial competition would say, but I suspect they would find it rather unusual for a school or any organisation to be given substantial public funds and then combine that with private funds to give them an advantage over a competing public system. To me that defies logic.

Senator TIERNEY—That is quite the wrong way around. Every child is entitled to taxpayers' money to support the education of that child in Australia. This is not giving them large amounts of funds as if this is some largesse; this is actually an entitlement. Because they charge fees they actually take less public money. Surely if the school and the parents wish to raise additional money on their own for the education of those children, there should not be any restriction on that.

Mr Bonnor—If you extend that same logic to subsidising public choice of a private provider, there does not seem to be any logical limit. I drive on the M2 sometimes. Should the drivers on the Epping Highway subsidise my journey to work? I have a private burglar alarm. Am I paying less money for the police and should I be entitled to some of those taxes? Should people who live in walled communities have their taxes reduced or receive a subsidy because they might have private security agencies? I really am worried about where this argument takes us.

Senator TIERNEY—It worries me too—why is it a public subsidy? Surely it is a public entitlement that a child receives a certain amount of taxpayers' funding for their education. Those in private schools receive less.

Mr Bonnor—Our point is: how far does this entitlement go and how far do we continue to subsidise this entitlement at the expense of and risk to a public provision?

Senator TIERNEY—Why do you call it a subsidy? You are not calling it that for public schools. Surely it is the same thing. You are providing taxpayers' dollars to educate children. You provide less to the private system because they put in extra funding themselves, which then frees up money for the public system—$3 billion indeed. Why should there be an objection to that?

Mr Bonnor—I suspect that if you took a walk around my school and publicly funded private schools that are nearby you would wonder how much of this alleged freed-up money is being spent and how much advantage students in public schools are gaining.

Senator TIERNEY—But your students get more public money than those in the private schools, don't they?

Mr Bonnor—So what?

Senator TIERNEY—We are talking about the Commonwealth allocation of public money. I am saying that the public money is higher in the public schools. I have no objection to that, but I cannot see why you would object the other way.

Senator ALLISON—I would like to pick up on a couple of suggestions you have made about another approach to funding. This has been sorely missing from a lot of our submissions, so I am glad you have attempted to put something down. You suggest that funding should depend on, or be tied to, the extent to which schools take in students who are very poor attenders, who have diagnosed physical or mental disabilities, who have been suspended from other schools and so forth. Can you give the committee any examples of where this kind of system has worked elsewhere? At first blush, it looks like a very complicated, difficult, almost student by student negotiation we are talking about here. Are you confident that something like that would work?

Mr Bonnor—It works in the integrated system in New Zealand where, if a student is suspended from a school, it is a shared responsibility by government state schools and integrated state schools to take on the burden of teaching that student. That seems to work very well, because the argument about these issues was put to bed many decades ago.

Senator ALLISON—So, if I can interrupt, you think that by saying, 'Your funding depends on being able to demonstrate this,' schools would change their practice rather than argue with you about the extent to which you are doing that?

Ms King—We hope so.

Mr Bonnor—We certainly believe they should change their practice. In fact, our submission includes information about divergence of practice between one group of private schools and another. It is not justified for Catholic systemic schools to have rules that are apparently different to those of independent private schools. That creates inequities amongst private schools.

Senator ALLISON—Yes. You might see the *Hansard* from the Catholic witnesses we had earlier today. They said that each school negotiates on more or less the basis you are suggesting here with the Catholic commission for funds. I want to ask the same question about the concept of a public charter for any school receiving public funds. I know that you suggested that this be researched and inquired into, but would you like to expand on that concept of a charter for schools?

Mr Bonnor—We believe there are features that should be essential to schools that receive public funding. They relate to curriculum implementation, the practice of management, enrolment of students, student welfare, employment of staff, and compliance with legislation and regulations. There are a whole range of practices in relation to each of these that need to reflect a school's dependence on public funding and should, in our view, be encompassed in an appropriate public charter.

Senator ALLISON—You refer a number of times in your submission to the competition which government secondary schools face from other schools. We see this more in secondary schools than in primary schools. I presume you are both principals in secondary schools?

Ms King—Yes.

Senator ALLISON—What would aid you in your competition with non-government schools in your area? I imagine funding is the general area, but can you explain what constraints you would like to remove? What would you use funding for, should it be available, in order to capture more of the share of students or to put yourselves in a strong, competitive position, to use your words?

Mr Bonnor—The procedures involved in the suspension of students from publicly funded private schools cause us great concern in public schools because those schools are not required to operate under the same rules that we are. A family may pay tens of thousands of dollars over many years but, if push comes to shove and a student does not comply with the rules of those schools, they are asked to leave—without, in some cases, a lot of ceremony. It has improved—

Senator ALLISON—You are not suggesting that government schools should be able to do the same thing, I presume?

Mr Bonnor—No, I am not. In fact, I am suggesting the opposite. I am suggesting that publicly funded private schools should have to comply with publicly accepted legislation and regulations.

Ms King—There is a need for more discretionary disposable funding that could be used to support families in difficult financial circumstances. For instance, like private schools, nearly all public schools want to make uniforms compulsory, for obvious reasons. We have several families that cannot afford to buy uniforms, and it is difficult for the state government to legislate that uniforms be compulsory. If schools had more student assistance support funding available, on a needs basis, they might be able to fund those uniforms, without any problem, for those families. So it is not just about suspension; it is about supporting families at risk. Of course, certain parts of Sydney have more families in that situation than others, and I think there should be a way of devolving the funds to the system to support them.

Then there is the upkeep and maintenance of schools. People judge schools by their appearance. If your school is dependent on a 10- or 20-year maintenance cycle because you happen to be a public school and do not have those funds devolved to you to address those issues then people make judgments about your school—it is not competitive because you do not have two drama theatres, a well-kept rose garden and six gardeners. I am sorry to dwell on peripherals like the outward appearance of school buildings, but unfortunately that is what a lot of educated people take notice of.

Senator ALLISON—While we can assume that parents are tuned in to rose gardens and the like, what about the students? What difference does being in educationally encouraging circumstances, as opposed to schools that are down and out, make to a student's attitude to school, to their education and to their general behaviour?

Ms King—The quality of teaching and leadership in the school is the most important factor in determining the success, achievements and self-esteem of students.

CHAIR—Equally, though, the physical appearance of a school affects its community standing, affects attitudes towards what goes on in the place and, I would have thought, affects students' attitudes towards each other. So the physical attributes of the better resourced schools would surely facilitate the work that you are doing.

Ms King—Of course.

Mr Bonnor—It certainly does. Parents vote with their feet and go to our schools that have been substantially refurbished or rebuilt.

CHAIR—No-one wants to work in a slum if they can avoid it.

Senator ALLISON—I am interested in the comparative table on school uniforms. The New South Wales government is making them compulsory—but only if you want to? It sounds a bit contradictory.

Ms King—If they legislate to make them compulsory they will be obliged to provide the funds for those families who put their hand up to say they cannot afford it, and they are not going to do that. They are trying to frame the language to give us the most morally persuasive support possible, but they are pulling back from 'compulsory'.

Senator ALLISON—The legislation, which we will deal with shortly in the Senate, provides the minister with some as yet unknown powers to require reporting on a whole range of things. I am not sure at this stage whether that will include flagpoles. What is your experience with the new reporting regime which, in some states, has led to league tables which are said to be about parents demanding to know where their child is at, vis-a-vis the rest of the classroom, and reporting on entry into university and so forth? Can you give us your reflections on that as school principals and also tell us whether your association has a view about where we are heading, where we have been, whether the currently required reporting is excessive or whether we should be looking at more? What are your views?

Mr Bonnor—The range of requirements outlined by the federal minister overwhelmingly do not concern principals in New South Wales, because we are doing those things already. Having said that, we are really concerned about the construction of league tables, where apples might be compared with oranges and there is no considered, accurate and fair basis for comparing one school with another. We have absolutely no problems providing our results collectively to our parents, and we do so via annual reports and, of course, by providing student reports to parents individually about their own children. The whole landscape of league tables is fraught with simplistic nonsense, and we are anxious to avoid that. The closest we go to accurate comparisons between schools is not public knowledge; it is possibly the value-added data of the type that the New South Wales Department of Education provides for each of its schools. That way, at least it is a reasonably valid comparison—if you need such comparisons.

Senator ALLISON—Are you inundated with parents saying, 'I need to know more; the reporting process is inadequate; I don't know where my student is'?

Ms King—No, we have the opposite problem: some parents are asking, 'Do we have to really get so many pieces of paper?' For the last few years, New South Wales, beginning with the new HSC, first examined in 2001, has moved from the kindergarten to year 12 system to a standards based system. That means mapping the progress of each student against explicitly stated criteria for every two years of schooling. That is a lot of detail for parents, and the individual nature of asking how the student is going against the national or state benchmark is really quite powerful.

That has been vindicated by the PISA results, which our Premier has skited about in parliament in terms of the achievement levels of 15-year-old Australians. That is also in the Barry McGaw presentations. We must be getting something right. I would say that largely we are already complying with what Minister Nelson has indicated must be reporting criteria in order to access funding. I am not sure about the flagpole component of making funding—

CHAIR—What about the Prime Minister's picture? I am very interested in whether or not the Prime Minister's picture should be part of this bill and how long it will be before we are required to display one before the schools will be able to receive proper funding.

Ms King—I hope not. My school is in the Prime Minister's electorate and I was forced in January to put a very large sign on my school board that fronts Victoria Road—one of the busiest roads in Australia—saying, 'Dear Mr Howard, our values are social justice, compassion and respect for diversity and reconciliation.' I hope he saw it as he was driving past, as he would have on his way to his Bennelong office. I hope that that is not a requirement.

CHAIR—But it could be. Under the terms of this legislation there is nothing to stop the minister's discretion extending that far. Isn't that true?

Ms King—I guess so. I am alarmed that Minister Nelson keeps talking about place in class. I am not sure what century he is operating in, but in a standards based system you may or may not provide that information to parents. It may or may not be relevant at whatever stage of education we are looking at. But certainly New South Wales is constrained by a very rigorous external exit credential—the HSC, which is half school based assessment and half external exam and university entrance—and the popular press constructs semi league tables as a result of which schools achieve band 6, which is over 90 per cent. They construct tiny league tables based on that. It is not too painful or too difficult to live with, but anything beyond that would be hugely difficult for such a diverse system.

We would say to Brendan Nelson, 'For goodness sake, trust the teachers; trust the professionals.' If there is indeed a huge outcry from parents, we are not aware of it in our schools. They may well have answered the minister's web site online survey. I do not know how many responses he got to that, but I certainly looked at some of them. I am not sure who wrote them but they did not seem to represent any of the parents in the schools that we are familiar with.

Mr Bonnor—Our problem is that the issues cited by the Prime Minister and Minister Nelson are not mentioned to us by parents in our schools, including the whole issue of values. I have been a principal for 13 years, and no parent has ever accused me or my school of being politically correct or value-free in terms of the language that the minister and the Prime Minister used. It came as a great surprise to us earlier in the year.

Senator ALLISON—I would like to ask one further question about the prospect of underperforming schools losing money—and also underperforming principals. It this something your association has discussed?

Mr Bonnor—No, we have not—and there is no way we would support anything like that. What we do support is intervention by our state government department in schools. That takes place now in the form of school reviews, which are fairly substantial and fairly savage—and appropriately so in many cases, although there are not many cases where it is needed. They make sure that the school improves its leadership and its practice throughout the school. There have been substantial success stories as a result of these. We do not need what is being proposed.

Ms King—In fact that is the language used—they actually use that language in our department of education literature. They are called 'identified underperforming schools'. So it is already there and has been there for several years. That review mechanism, imposed by district office under the auspices of head office, is really quite rigorous. We always welcome accountability because we are responsible for the dispersal of public funds. No secondary principal in our system fears accountability that is based on anything that is rational and sensible.

CHAIR—Thank you very much for appearing here today.

Ms King—Thank you for the opportunity, and good luck.

[3.21 p.m.]

LLOYD, Ms Deborah Anne, Life Member, New South Wales Federation of Parents and Citizens Associations

CHAIR—Welcome. Do you have any comments to make on the capacity in which you appear?

Ms Lloyd—Until yesterday afternoon I was the country vice-president for the P and C federation. I am now a councillor and a life member of the federation.

CHAIR—Did you write the submission?

Ms Lloyd—Yes.

CHAIR—The committee prefers all evidence to given in public. It will consider, however, any request for all or part of your evidence to be given in camera. The committee has before it submission No. 59. Are there any changes or additions that you would like to make?

Ms Lloyd—No, thank you.

CHAIR—I now invite you to make a brief opening statement.

Ms Lloyd—Thank you. The federation's position is that governments have an obligation to provide and maintain a government school system of the highest possible standard and that their sole financial responsibility is to that system. We contend that the increase in private school enrolments via the provision of generously enhanced subsidies and a reduction in funds to government schools have resulted from the abolition of the new schools policy and the introduction of the enrolment benchmark adjustment.

We affirm the national goals of schooling as important to the development of the nation, but we also argue that the federal government's funding and resourcing policies have deliberately eroded the capacity for public school systems to deliver the quality educational experiences that Australians expect to form the foundation of our society. The Commonwealth government's support for non-government schools should not be to the detriment of its responsibility for maintaining and advancing a strong and socially representative public education system.

Public schools should not be considered a resource for the residualised and marginalised members of the community. They set the standard by which other provision should be judged. The levels of financial and educational accountability, connectedness to the community and equality of outcomes modelled through the New South Wales DET equity strategies—like the priority schools funding programs—are worldwide best practice. These are models which should be actively supported through federal government policies, which would provide a mechanism for the implementation of the national goals.

Public schools are the primary instrument for the transmission of values, a mechanism through which social justice may be distributed to members of Australian society. We support the national goals but are concerned that, without a fair funding model, public school students will be disenfranchised in decades to come. The introduction of the EBA has allowed the government to provide fewer funds per government school student than the legislation provides for. It actually reduces Commonwealth funding for the students remaining in the government school system if that system's market share falls—even if the enrolments increase.

Government schools are now resource poor in relation to most private schools. The government has departed from a provision of funds on a needs basis and is moving towards a method of funding of individual students that is an anathema to notions of equity. The government school funding method disregards all sources of private income for schools, even though these schools, before receipt of any government assistance, may spend more per student than is spent on government school students.

This federal government has implemented policy that is actively hostile to government schools. Not only does it provide the means for the government to disregard the demonstrable needs of public schools; it punishes them for the success of its own policy of driving the public out of public schools. The Federation of Parents and Citizens Associations of New South Wales asserts that, in the interest of equity and supporting the national goals of schooling, the enrolment benchmark adjustment should be abolished, the new schools policy should be re-established, greater financial and educational accountability mechanisms for non-government schools should be instituted and federal equity funding should be returned to specific targets—rural and remote students, students from low socioeconomic communities, Indigenous students, students with a disability and students from non-English-speaking backgrounds.

CHAIR—Thank you. For Senator Tierney's benefit, I might quote directly from your submission. You have put some points of view which are forceful. You say here:

"Choice" in the context of the Federal Government's terminology is synonymous with free market competition. An ideological preference for competition is not to be confused with the equitable availability of appropriate diversity which is an aim of schooling. The unsupported *a priori* assumption that "choice" leads to diversity which, in turn, leads to improved outcomes is challenged and refuted throughout this submission.

You are arguing here that the principles of choice are actually antithetical to the principles of the Adelaide declaration.

Ms Lloyd—The language is misleading—using language from one context and applying it to another. Choice as it applies in the context of education is not necessarily the same sort of choice you would engage in when choosing to buy a pair of shoes.

CHAIR—You go on to say that you think the federal government has a policy of active hostility to government schools. Could you explain what you mean by that?

Ms Lloyd—The federation believes that, since this government came to power, the changed policies which have seen the redistribution of funds—the introduction of the enrolment benchmark adjustments, the abolition of the new schools policy—are hostile to government schools because they allow for uncontrolled, unrestrained introduction of schools to the

detriment of already established schools, regardless of where they are, and they redistribute funds based on market share rather than individual numbers of students.

Senator ALLISON—You do not actually say this in your submission, but it leads to the conclusion that your organisation might expect governments to in fact have an objective which is to at least maintain, but preferably increase, the government share of students. Would that be fair to say?

Ms Lloyd—We believe that the public school system supports the foundation of our society and that when you provide for public funds for groups that promote exclusion and promote separatism you are not supporting the egalitarian nature of the society that we believe is important. We believe that the government's funding responsibility is for public schools. If they continue to fund private schools, they should not fund private schools to the detriment of public schools.

Senator ALLISON—It is not that easy to identify what the detriment is, but you have had a go in your submission by pointing out what is wrong with the private sector, which I think is a good start. Doesn't this lead you to say, 'We'd be better off if there were more students in government schools'? Can I assume that from what you say?

Ms Lloyd—Yes, you certainly can. Government school students receive a highly accountable education in New South Wales. They are accounted for in a great many statewide testings. They are subject to antidiscrimination legislation. The teachers have to comply with equal employment opportunity legislation. They receive a diverse educational experience because public education is inclusive. It is the values and the diversity of public schools that make them so educationally rich, and they really support society.

We do not believe that it is in society's best interest to increase the stratification, making the poor even poorer and the rich even richer, which will happen if public schools become marginalised with fewer and fewer resources. What will happen is that the aspirations of the middle class will move and further disenfranchise those people who are on the lower end of the socioeconomic scale.

Senator ALLISON—You have given us a full account of the sort of reporting which is provided to parents in New South Wales. As I asked the last witnesses, do you have parents coming to you saying, 'We need more: we need to know where our child is within the class—are they at the top, hopefully, or are they average or below average'? What do your parents tell you about this reporting regime?

Ms Lloyd—Our parents tell us that rank marking within the class is a fairly useless benchmark, because your child may be in the bottom half of a class that is in the top 10 per cent statewide. If you just go on the information that the child is 12th out of 20, you think, 'Oh my God, this poor child. What have I done?'

Senator ALLISON—Below average?

Ms Lloyd—It is below average. But the reality is that that class is performing in the top percentage of the students right across the state. Individual class rankings are not of great benefit to parents.

Senator ALLISON—So if it is not coming from government school parents, if they are not demanding this, is it possible that it is the reason that other parents have moved out of the system? How do you explain this? It is not just the federal government that has increased reporting requirements on schools. Where has it come from?

Ms Lloyd—The increased reporting requirements have come from the state government out of the Eltis review. Professor Eltis conducted a review into outcomes, assessments and reporting. There is also a political agenda in which people need to feel that they are seen to be doing good work, and ranking students seems to be one of them. There was an extensive report by Peter Cuttance and Shirley Stokes, commissioned by DEST in 2000, on student assessment and reporting, and that confirms very strongly that parents do not necessarily want their children ranked within the class, but they want an effective communication process that talks to them about how their child works, what their child is strong at and what areas their child might need some support with. It is all about the communication process.

Senator ALLISON—On that communication process, is there too much jargon, so that parents cannot understand the reports they are receiving?

Ms Lloyd—One of the interesting things is that reports vary. You cannot make a blanket statement about reports, because you have reports that look like one thing in kindergarten, an entirely different thing in year 6, something completely different in year 10 and, again, in year 12 there is a vast difference in the amount of information that is required by parents. Within schools there is also a huge diversity: some schools report on outcomes; some schools, in primary school, report on indicators of student achievement; some schools report on high distinction, distinction, pass and fail. Those methods—that lack of consistency—are something that parents struggle with, but what parents want is information that is meaningful to them about their child. And the information that you want about your child when they are in kinder will be quite different to the information that you want about your child when they are in year 10.

Parents want reports that give significant remarks, particularly in the early years, about their child's social skills, their development, their ability to concentrate, their ability to participate in school life, their ability to make friends and their ability to follow instructions. It is quite horrible to discover in year 4 that your child, who you thought was lovely, was really a bit of a bully and needed to have some issues addressed. There is a variety of information sharing that is required in reporting. It is not just talking about whether you can, on one occasion, sit down and get 100 per cent on a written test. Parents want to know how well their child can do things—not just what they do in a test but that they can apply themselves in a variety of situations.

Senator ALLISON—The observation has been made to this committee by the vast majority of those who have presented to us that resources are very visibly different even within government schools—some of the newer ones look much better than the older ones—and certainly there is a big difference between government and non-government schools. Would you like to indicate to the committee how important this is to your parents?

Ms Lloyd—The conditions of a school generally reflect the socioeconomic environment of the community it is part of. Schools are part of the community. They are not something that sit outside of it. Say you have a school in an area with a very high socioeconomic background of families. Those families support their school and they support their children by giving to the school things that people who are on the poverty line are simply not in a position to give. That makes a huge difference. The HSC results uniformly indicate that kids that go to the top category 1, 2 or 3 private schools do very well in physics. That is based on that course requiring high levels of resourcing that is simply beyond the capacity of other kids, particularly country kids, to participate in.

Senator ALLISON—So you would be in favour of a much higher level of funding for those areas of disadvantage?

Ms Lloyd—Yes, a much higher level of funding for disadvantaged schools, because education is the key to empowerment. It is the key to changing the way things are for people. If we provide students with a residualised level where they simply do not have access to the resources, then it is so much more difficult for them to move beyond it. Education is the key to social change, and I believe that what government should be trying to promote is raising the bar for everybody, not just raising the bar for the best.

Senator TIERNEY—Was the P and C association one of the groups that led to the establishment of the Vinson inquiry into schooling?

Ms Lloyd—Yes.

Senator TIERNEY—What is your broad view, in a nutshell, of the findings of the Vinson inquiry?

Ms Lloyd—We are very pleased with a number of the findings of the Vinson inquiry. We are extremely pleased with the state government's introduction of the class size reduction strategy, with kinder classes having a statewide average of 20 or fewer.

Senator TIERNEY—Which was forced on it during the last state election campaign. It was the opposition's policy. Yes, we recall that one. What else?

Ms Lloyd—My recollection of the Vinson inquiry is that we broadly supported the vast majority of the claims. We particularly supported the examination of the role of the board of studies and its separation from the department of education in this state. Do you have a specific point about the Vinson inquiry that you would like to ask me about?

Senator TIERNEY—I will come to that in a minute. I just wanted to start with your general view of it.

Ms Lloyd—We were quite happy with the Vinson inquiry.

Senator TIERNEY—Why did the Teachers Federation and the P and C association feel it necessary to set up the Vinson inquiry?

Ms Lloyd—We wanted to promote a climate of change. We also wanted to promote a climate whereby the good work of public schools was acknowledged instead of simply being discounted. We wanted to promote a climate in which things that needed to be changed would be highlighted and things that would be good would be acknowledged—it was about that. We felt that in the community there is suspicion about governments appointing their own inquiries and that, because the questions that you ask determine the answers that you will get, we wanted somebody who was outside of the guidelines of government to have a look with an independent eye. We believe that Dr Vinson has very well established credentials in social justice and equity, and that is what we were looking for out of that inquiry.

Senator TIERNEY—What was it about the state of public education in New South Wales that led your organisation to set up the inquiry though?

Ms Lloyd—Just casting my mind back a bit, we believed there were things that needed to be identified. We had issues that needed to be addressed and, because they had not been identified by an independent person, the government could say they were non-existent. It was the 'critical friend' role of an independent inquiry that we were looking for.

Senator TIERNEY—It was a pretty drastic step though. For you to set up such an inquiry, something really must have been disturbing you about the public education system. What specific things were disturbing you? Was it the P and C—

Ms Lloyd—I do not believe it was a drastic step; I challenge that statement. Our federation represents a huge diversity of views. Possibly our views are unlike those of the Teachers Federation, but we do represent a diversity of views. To look at that diversity of views required our asking for somebody who was independent. I do not believe that things were necessarily drastically wrong. There was great dissatisfaction with the funding models, we had noticed a decline in the flow particularly of federal funding and we had noticed a decline in the approach to management systems; we wanted these things to be looked at.

Senator TIERNEY—Were you happy with the way state funding was going?

Ms Lloyd—If you will wait a moment, I will just check.

Senator TIERNEY—I can help to refresh your memory. State funding over the last nine years has barely kept pace with inflation. Surely that would have been one of your motives for setting up the Vinson inquiry and that education was not getting its fair share of resources under the state government of the New South Wales; out of the six states it was coming sixth?

Ms Lloyd—In terms of proportion or dollars?

Senator TIERNEY—Yes, and also the decline in the percentage of the state budget; for education it has gone from 25 per cent down to 21 per cent.

Ms Lloyd—When you talk about funding using figures like that, I am not sure whether you are differentiating between funding for public sector and private sector.

Senator TIERNEY—I am talking about public only. State government has responsibility for 88 per cent of the funding of state schools. That is what I am talking about—the funding of state schools. That is what the Vinson inquiry was about.

Ms Lloyd—Can I pass on that question and come back to it?

Senator TIERNEY—I will move on to some other questions. You are critical of the role of the federal government in the funding of private education. What role do you see for government in funding private schools?

Ms Lloyd—We believe that category 1, 2 and 3 schools should not be receiving the funding that they get. They get a variety of funding, both direct and indirect. We would particularly like the indirect funding to be much less of a maze and for there to be fewer levels. That includes various subsidies, such as interest subsidies, grants and those sorts of things. We would like to see the top three school categories not receiving that funding and what funding there is for non-government schools being done on a needs basis—and that needs basis should not be determined through the very flawed SES model.

Senator TIERNEY—So in the case of private schools, you would want to put a much greater burden on the already overburdened parents. They are not all rich, you know; that is a bit of a myth.

Ms Lloyd—I am well aware that people make choices for their own personal reasons about a variety of things. I find it quite extraordinary that Australia is the only developed country that supports the funding of private institutions that are run for private profit and private benefit. It is quite an extraordinary concept.

Senator TIERNEY—Why?

Ms Lloyd—When we talk to visiting teachers from the United States or England who come over, they are quite horrified at this proposal that public funds are spent to support private providers for private profit.

Senator TIERNEY—We are talking about educating Australian children. We are talking about the children of parents who pay taxes.

Ms Lloyd—Everybody pays taxes regardless.

Senator TIERNEY—Sure, and aren't they entitled to the support of their children's education?

Ms Lloyd—That support comes through the public system. If you want a residualised society where the wealthy get wealthier because they control—

Senator TIERNEY—You are onto ideology now; can we just stick to the facts on the actual funding of Australian children's education. Why shouldn't Australian children, regardless of what school they are in, receive public support given their parents pay taxes?

Ms Lloyd—And they do. They receive public support by attending public schools. If they choose to attend something else then their parents can organise that for themselves.

Senator TIERNEY—What you are saying is that parents whose children are in private schools should fund that totally? Is that the position of the P and C?

Ms Lloyd—The position is that the government's primary responsibility is to support government schools and that they should be the benchmark by which things are—

Senator TIERNEY—They do: they give more funding per head to public schools than they do to private schools.

Ms Lloyd—You have had some really talented people talk to you during this inquiry. I have reviewed the web site and seen the submissions from the Teachers Federation and people right across the state. I am an ordinary mum. I am not going to argue with you about little bits of funding. The broad argument is—

Senator TIERNEY—You call it a little bit, but we are talking about one-third of Australia's children.

Ms Lloyd—That has increased in the last decade as a direct result of the federal government's abolition of those policies and the introduction of the enrolment benchmark adjustment.

Senator TIERNEY—Before the enrolment benchmark adjustment private schooling was 28 per cent of schooling in this country. It is a little over 30 per cent now. So it did exist before; it is not new.

Ms Lloyd—However the increase is changing. I live in rural New South Wales—I live 50 kilometres from a major centre—and we have had a proliferation of 'garage' schools, small schools with one or to teachers that are based on religious fundamentalism, new-age philosophy or variations on that theme.

Senator TIERNEY—And they stay small schools, do they?

Ms Lloyd—They usually run for about five years and then fall over.

Senator TIERNEY—That is not true.

Ms Lloyd—That is true.

Senator TIERNEY—I am sorry, but we have the figures on the start-up of schools and the close-down of schools. That is just not correct.

Ms Lloyd—I can tell you that my local one certainly did.

Senator TIERNEY—That is anecdotal evidence.

Ms Lloyd—It folded. That happened. When those students come from the non-government system into the public system, they come with exceeding bad behaviour and they come with learning difficulties. It is the kids who have been in the public system who get pushed out because those children coming in are the most needy.

Senator TIERNEY—The reality is that the small schools actually grow and become large schools. Some fall over. They used to really fall over at the time of the new schools policy because they did not have sufficient support, but that has changed in the last eight years.

Ms Lloyd—I would like to contest that. For example, the Emmanuel Anglican College at Ballina has lost a substantial number of secondary students to Alstonville High School—which is no longer accepting any more enrolments because it is exceeding its capacity—because parents are fleeing a system whereby students are not given the broad social grounding that gives a full educational experience.

Senator TIERNEY—Well that is terrific because it then counters the voting with the feet moving in the other direction.

CHAIR—Ms Lloyd, thank you very much for coming. We appreciate parents giving advice to the committee.

Ms Lloyd—If you are interested, I will leave a copy of the last three issues of our journal, which state our position as well.

CHAIR—Thank you very much.

Subcommittee adjourned at 3.49 p.m.