



INDEPENDENT EDUCATION UNION OF AUSTRALIA

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29 September 2006

Kris Erwood
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Location 723
GPO Box 9880
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Dear Kris

Please find attached the Independent Education Union's submission to the DEST Review into Commonwealth funding for schools.

The IEU submission seeks to make a number of critical points. First, in outlining our view of the key principles for school funding, the failure and inconsistencies in the current funding regime are quite apparent.

Second, the IEU believes that the Review provides a timely opportunity for the government to adequately address serious deficiencies in the funding arrangements for students with disabilities. In particular the 2005 Disability Discrimination Act Standards for Education place substantial compliance requirements on the non-government school sector and consequently substantial responsibility on teachers and other school staff without adequate or appropriate funding recognition.

Third, there remain significant matters of national concern with respect to the level of funding, the targeting of funding and the nature of programs funded with respect to indigenous education. The fact that Australia's Aboriginal peoples remain at the bottom level of every economic, health and social indicator is unacceptable and should be a source of national shame. School funding priorities should reflect opportunities to address these matters.

The IEU would be happy to discuss any aspects of the submission.

Yours sincerely,

Lynne Rolley
Federal Secretary



**INDEPENDENT EDUCATION UNION
OF AUSTRALIA**

**SUBMISSION TO DEST
REVIEW INTO COMMONWEALTH
FUNDING FOR SCHOOLS**

September 2006

1. INTRODUCTION

- 1.1 The IEU is the federally registered organisation which represents the industrial and professional interests of education workers in all non-government education institutions across Australia. It has a current membership of approximately 63000 members.
- 1.2 The IEU has a strong interest in the Commonwealth's funding policy in terms of its impact on the operations of non-government schools. Clearly such policy affects the quality of educational provision to students and the professional and industrial lives of education workers in non-government schools. Government recurrent funding of non government schools is the fundamental component of the salaries and conditions for teachers and support staff employed in the non government sector.
- 1.3 All schools, both government and non-government, are important social institutions in which Australian children engage with and learn about their fellow citizens and come to acknowledge and appreciate their differences, beliefs and values. The comprehensiveness across both the government and non-government systems is a great strength of the Australian education system and should be preserved.
- 1.4 The IEU has made submissions to a substantial number of government reviews and committees of enquiry regarding education and funding policy and programs and related matters. These include:
 - the reference on the Accountability in Commonwealth-State Funding Arrangements in Education 1994
 - the McKinnon Review of the New Schools Policy 1995
 - the Senate Inquiry into the States Grants (Primary & Secondary Education Assistance) Bill 1996
 - Review of the Education Resources Index 1997
 - The Senate Inquiry into the States Grants (Primary & Secondary Education Assistance) Bill 2000
 - The Senate Inquiry into the States Grants (Primary & Secondary Education Assistance) Bill 2004

On August 22 2000 (**Attachment 1**), the IEU appeared before the Senate Inquiry into the States Grants Bill and made a submission which in substance, looks much like this one. For the benefit of this DEST Review, I have attached the transcript of evidence provided in 2000.

- 1.5 Given the growing tone of community anger and divisiveness in the current commentary on schools funding, it is evident that the policy settings of federal and state government funding arrangements do not meet the overall objective of a well-settled, fair and transparent education funding policy.

- 1.6 The IEU has worked within the forums of the ACTU to develop a positive framework of principles for education and funding policies in Australia to be advanced with the major political parties and key education stakeholders. This cooperative work was underpinned by two things: firstly, our view that the policy settings are not sound and secondly, concerns about the operation of the current SES model. The policy outcome of this work was unanimously endorsed as ACTU policy at the 2003 ACTU Congress (**Attachment 2**).
- 1.7 The IEU does not believe that our concerns about serious deficiencies in the current SES funding arrangements have been addressed and that both the fundamental flaws in the originally conceived model and the subsequent 'special arrangements' that have been manifest have arguably led to a less fair and less transparent model of funding.

2. THE ADELAIDE DECLARATION (1999) ON NATIONAL GOALS FOR SCHOOLING IN THE TWENTY FIRST CENTURY

- 2.1 The capacity of government and non government schools to meet both current and future school needs in accord with the National Goals For Schooling is fundamentally dependent on appropriate levels of government funding.
- 2.2 A fair and proper approach to needs based school funding requires the assessment and establishment of the national resources standard necessary for the provision of quality education to all Australian students.
- 2.3 Mechanisms should be in place which provide for an ongoing review of the national resources standard, in light of changes to education policy and the priorities and challenges confronting schools, and the actual costs which such changes impose on schools when meeting such challenges.

In particular, this means that resourcing must take account of the needs of schools – both government and non government - in regional and remote areas and areas of educational and socioeconomic disadvantage to ensure the equitable provision of education across all schools.

- 2.4 At the very local level, how do parents weigh up issues such as the adequacy of a school's teaching and physical resources; its comparative educational performance including matters of class size and subject offerings; the pattern of student learning outcomes at particular schools; the suitability of the school for their particular child/children?
- 2.5 The public-private funding debate has a rich history and is often the subject dogged prejudice from all sides. However, it can be shown that the following is evident:
- The rich and the poor and those in between inhabit both the government and non government schooling sectors

- The contribution which flows from family and neighbourhood advantage to schooling choice and academic success is clearly evident in both sectors.
- The meaning of terms ‘public’ and ‘private’ are not easily defined when applied to schools given the funding arrangements.
- There is a need for some finer critical judgement in the synonymous use of ‘community’ and ‘public’ when talking about schooling. Most non government schools provide some public service as is the case for public schools. It is also the case that varying principles of selectivity operate in a number of government schools.
- In typical community schools – whether government or non government – class sizes, teachers’ salaries, the range of subjects taught, teacher workloads and so on are largely governed by the level and distribution of public funding. Similarly, the costs of training and paying teachers in both government and non government sectors, of providing adequate teachers for schools in terms of both quantity and quality continue to be funded, in the main, from public funds.

3. THE ROLE AND RESPONSIBILITY OF THE AUSTRALIAN GOVERNMENT IN PARTNERSHIP WITH STATE AND TERRITORY GOVERNMENTS

- 3.1 Constitutional responsibility for the provision of education lies with State and Territory governments. The Commonwealth government runs no primary or secondary school in the country and employs no teacher or school support staff.

Its role with regard to the nation's schooling lies principally with funding responsibilities it has undertaken in relation to some of the recurrent and capital costs of government and non-government schools and for targeted programs in both the government and non-government sectors, and the consequent political influence that such funding provision gives to the Commonwealth in terms of policy and program direction.

However a shift in policy following the 2004 federal election has strengthened the leverage of the Federal Government. This is through its use of the quadrennial funding agreement to force compliance by government and non government education providers with federal government policies across a range of education issues.

- 3.2 An issue of considerable concern to the union is the lack of transparency in the interrelationship of the funding arrangements between the Commonwealth and States/Territories. A result of this is the way the public debate in relation to school funding can be manipulated to advantage a particular line of argument because of this lack of transparency.
- 3.3 The glaring problem in the funding policy is the lack of coordination and shared rationale between the Commonwealth and State levels of funding.

There exists no defensible, logical set of policies embracing the different funding regimes at the Commonwealth and state/territory levels. In relation to the states and territories, it is extraordinary that there are different funding mechanisms, at least in respect to non government schools, without any apparent rationale. This issue requires critical and urgent attention.

4. IEU FUNDING POLICY – KEY PRINCIPLES

The following reflect the key IEU principles for the funding of schooling to achieve equity and stability in education.

- 4.1 It is necessary for federal and state governments to fund the dominant public system to cater for all Australian children including those in small, rural, isolated, poor and disadvantaged communities, and NESB and ATSI communities.
- 4.2 Australia's education systems need to be comprehensive and to be properly resourced. Governments need to establish the actual benchmark of costs necessarily expended to provide quality education for every student to meet the MCEETYA Goals of Schooling. Such a benchmark should be used to establish the national resources standard required for schools to provide for the educational needs of every Australian student.
- 4.3 The IEU does not believe that the current SES model of funding and the political decisions made around its operation can be seen as fair and transparent.

As a funding model, it has produced significant discrepancies in the funding outcomes. For example:

- more than half of all non government schools are not funded according to their SES score
- the Catholic systems have been outside the system since its inception and the 2005-2008 arrangement only further amplifies problems with the original model
- many Independent schools have been 'funding maintained' under the system – that is, to ensure no loss of funding as would have happened had their score been applied
- yet other independent schools have been subsequently designated as 'funding guaranteed' and not eligible for the substantial benefits of the earlier classification
- 61% of schools in the Christian sector are funded as per their SES score; 22% are funding maintained; 17% are funding guaranteed (as advised by AACCS)
- there are schools sharing similar SES levels but which attract very different levels of funding.

Such outcomes indicate a failed mechanism and essentially make the system indefensible. It also has had the effect of fuelling a sectarian tone to the funding debate across the community.

- 4.4 The IEU believes that any funding model needs to properly measure the actual resources of a school including fees, other sources of income (such as fund raising, bequests) and also take account of the income and social circumstances of families attending schools. On the basis of this information, funding should be directed accordingly.

One stated rationale for the Federal Government's increased funding to non government schools in the current quadrennium was to assist schools to hold down fee increases. On face value, this does not appear to have been successful with a number of schools recently announcing significant fee increases. The legitimacy or otherwise of these fee increases is not obvious given the lack of transparency of the Federal Government's position in relation to funding maintained schools after this current quadriennium.

It is also reasonable that government schools be required to provide information about the level of resources available from sources such as fees and fund raising. The community would clearly welcome a transparent system of school funding which made clear why there is a considerable disparity of resources between government schools – for example between rural/remote schools and those in urban settings; between those in wealthy suburbs and those in lower socio economic suburbs in towns and cities across the country, and between those in the same or neighbouring suburbs.

- 4.5 The majority of non-government schools (over 70%) receive over 80% of their recurrent costs from governments. They are substantially publicly-funded institutions, operating within public regulatory frameworks of various kinds, and they are fee-subsidised. On the basis of this, the IEU supports a funding policy which provides a base grant to all non government schools irrespective of school/need with further funding based on need as per 2.2.

Where the base grant should be pitched and the precise mechanism for distributing the “needs” component should be determined with reference to the national resources standard. These are legitimate issues for consultation to ensure broad consensus.

- 4.6 It is also necessary that equity measures target extra funding across all schools where the relevant student and/or school needs are identified.
- 4.7 It is necessary for non government schools to be publicly accountable on a similar basis as government schools. Accountability and reporting for both government and non government schools should go to issues such as:
- Financial accountability including the acquittal of public funds in accord with the purposes of such funding

- Registration and re-registration of schools in accord with the state-based legislative requirements. The IEU believes that there should be some consistent framework of standards governing the regulation and registration of government and non government schools across all jurisdictions
- Teacher qualifications in accord with the various state based registration authorities
- Reporting to parents and the community under nationally agreed protocols.
- Participation in testing and reporting regimes under nationally agreed protocols

- 4.8 The IEU considers that public funding policies which underpin both government and non-government schools and systems, and which facilitate access by citizens to a variety of schooling traditions, should embody principles of equity and be focused on the common good.

Accordingly, choice of schooling should be funded within a framework of agreed common curriculum, participation in common certification and assessment schemes, the operation of a broad regulatory scheme which is transparent and operates comparably across all schools, a resource standard that is fully funded in public schools to deliver the goals of schooling to all students, funding allocative mechanisms for non-government schools which distinguish genuinely on the basis of need with reference to the resource standard, and appropriate planning mechanisms which set benchmarks for school provision.

5. STUDENTS WITH DISABILITIES

- 5.1 All schools are being challenged to meet requirements for equity and inclusivity for students with disabilities. The IEU believes that all students with disabilities in mainstream settings should be funded on a comparable basis regardless of the school sector.
- 5.2 The IEU believes that substantial additional funds are required in both government and non-government schools to support students with disabilities. This includes funding for individual students as well as capital funds to support projects providing disabled access and facilities.
- 5.3 The IEU believes that there is a need to develop a consistent national definition of SWD based on student learning needs that is used for comparison and equitable distribution of funding. Subsequently, the IEU believes that governments, including the federal government, should provide the same per student level of recurrent SWD specific funding above the resource standard for a student without a disability, regardless of the school in which the student is enrolled.

6. SYSTEMS OF SCHOOLS

- 6.1 Earlier the IEU noted that ‘the Catholic systems have been outside the system since its inception’. If it is the intention that a ‘system’ approach to finding be appropriate for the Catholic system of schools, the IEU believes that fair consideration should be given to other current and emerging systems of schools.
- 6.2 Clearly, consideration would need to be given to underpinning principles in relation to defining eligible systems, which would clearly need to be of considerably greater substance than the recognition of a system by name only. Measures could presumably relate to consideration of central management, distribution of resources, support arrangements including educational services and commonality of purpose.
- 6.3 The IEU notes that other religious traditions including Lutheran, Anglican, Christian and Seventh Day Adventist conduct schools on a ‘systemic’ basis with varying degrees of engagement in the types of measures outlined above.

7. INDIGENOUS EDUCATION

The IEU does not believe that the current school funding arrangements adequately address or target needs in the area of Indigenous Education. The IEU calls for a substantial overhaul of Indigenous Education to address the following aspects of concern:

7.1 Early intervention and literacy/numeracy support

The IEU believes that withholding tutorial assistance until the student has failed to meet the year 3 benchmark test is neglecting the considerable educational research that has shown that the vital times for students acquiring literacy and numeracy skills in the early years of education.

It does not make sense that the Government is willing to expend large amounts of resources to improve outcomes in years 4 and 5, when targeted assistance given in the early years could also improve those outcomes in a more cost effective manner.

During-school-hours tutorial assistance has demonstrably improved literacy and numeracy syllabus outcomes and has also improved attendance rates and social integration, particularly at the early stages of primary education.

The IEU also believes that one of the strengths of the during-school-hours tutorial assistance program is the fact that the student is not withdrawn from their immediate peer group and the program is clearly supplemental to mainstream teaching and learning in the student’s classroom.

7.2 Funding Entitlement

The IEU proposes that consideration be given to broadening the scope of per capita entitlement funding for indigenous students to overcome difficulties arising from current arrangements based on an application process for targeted funds. Such funds would be made available to the school.

7.3 Vocational Education

The IEU believes there must be greater commitment to supporting vocational education especially in rural and remote areas by providing and supporting the necessary infrastructure and local economy to ensure that genuine training opportunities and subsequent employment opportunities are realised.

ATTACHMENT 1

COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

EMPLOYMENT, WORKPLACE RELATIONS, SMALL
BUSINESS

AND EDUCATION LEGISLATION COMMITTEE

**Reference: States Grants (Primary and Secondary Education Assistance) Bill
2000**

TUESDAY, 22 AUGUST 2000

CANBERRA

BY AUTHORITY OF THE SENATE

WITNESSES

MORGAN, Dr Ian George, President, Australian Council of State School

Organisations 2

**DOYLE, Reverend Thomas Michael, Deputy Chairperson, National Catholic Education
Commission 13**

TEMBY, Mrs Therese Mary, Member, National Catholic Education Commission..... 13

BANNIKOFF, Mr Kim, Acting Director-General, Education Queensland 25

**BRISKEY, Mr Darryl James, Parliamentary Secretary to the Minister for Education,
Queensland Government..... 25**

**COSIER, Mr Ian Leslie, Principal Adviser, Strategic Planning, Education
Queensland 25**

SWAN, Mr Bradley, Director, Strategic Policy Branch, Education Queensland 25

DUNNE, Mr Leo Matthew, President, Australian Parents Council 40

LONERGAN, Mrs Josephine, Executive Director, Australian Parents Council 40

FITZGERALD, Mr Denis Patrick, Federal President, Australian Education Union 51

**LEE, Mr Patrick John, Deputy General Secretary, New South Wales, Independent
Education Union of Australia 63**

**WENN, Mr Maurice Aubrey, Manager, Interagency Relations Branch, Victorian
Department of Education, Employment and Training..... 72**

**DAY, Mrs Hazel Jean, Executive Assistant to the Chairman, Association of Heads of
Independent Schools of Australia..... 81**

**HORTON, Ms Noelene Elizabeth, Chair Elect, Association of Heads of Independent
Schools of Australia 81**

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 1

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

SENATE

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS

AND EDUCATION LEGISLATION COMMITTEE

Tuesday, 22 August 2000

Members: Senator Tierney (*Chair*), Senator Carr (*Deputy Chair*), Senators Brandis, Collins,
Ferris and Stott Despoja

Substitute members: Senator Murray to substitute for Senator Stott Despoja for matters
relating to Workplace Relations and Small Business

Participating members: Senators Abetz, Allison, Boswell, Brown, Calvert, George Campbell, Chapman, Coonan, Cooney, Crane, Crossin, Crowley, Eggleston, Faulkner, Ferguson, Gibbs, Gibson, Harradine, Hogg, Hutchins, Knowles, Lightfoot, Ludwig, Lundy, Mackay, Mason, McGauran, O'Brien, Payne, Schacht and Watson

Senators in attendance: Senators Allison, Brandis, Carr, Crossin, Hutchins and Tierney

Terms of reference for the inquiry:

States Grants (Primary and Secondary Education Assistance) Bill 2000.

Committee met at 9.37 a.m.

CHAIR—I declare open this public hearing of the Senate Employment, Workplace Relations, Small Business and Education Legislation Committee. On 29 June 2000, the committee was asked by the Senate to inquire into the provisions of the **States Grants (Primary and Secondary Education Assistance) Bill 2000**. The purpose of the bill is to implement the government's commitment to maintain stability in Commonwealth funding for primary and secondary education in Australia for the 2001 to 2004 quadrennium. The bill implements a number of decisions made in the 1999-2000 budget: introduction of the new socioeconomic status based funding arrangements for non-government schools; additional funding and consequent changes to funding arrangements for the Short Term Emergency Assistance program, now renamed the School Transitional Emergency Assistance program; introduction of a revised structure for Commonwealth programs for targeted assistance for schools; and improved accountability arrangements for Commonwealth schools programs. The bill has a similar structure to the States Grants (Primary and Secondary Education Assistance) Act 1996.

As before, the legislative base for the school program will be underpinned by the agreements with the states and territories as well as non-government school authorities. In total, the bill appropriates an estimated \$18 billion in final 1999 prices for the entire quadrennium. In accordance with the government's policy, these amounts will be adjusted for price movements. A government amendment will be introduced to update all funding amounts to this bill to 2000 final prices once the necessary data has become available.

Before we commence taking evidence today, I wish to state for the record that all witnesses appearing before the committee are protected by parliamentary privilege with respect to the evidence provided. I welcome all observers to this public hearing.

EWRSBE 2 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

MORGAN, Dr Ian George, President, Australian Council of State School Organisations

CHAIR—I now welcome Dr Morgan, the representative from the Australian Council of State School Organisations. The committee has before it submission No. 17. Are there any changes you wish to make to this submission?

Dr Morgan—No.

CHAIR—The committee prefers all evidence to be given in public, but if at any time you wish to give any evidence, part of evidence or answers to any questions in camera, you may make the request and the committee will consider the request, but such evidence may subsequently be made public by order of the Senate.

Dr Morgan—We are quite happy for this to be in public.

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

Dr Morgan—We would like to split our comments on the bill into three parts. The first part concerns the funding arrangements that are actually put in place for this bill. It will come as no surprise to any senator who has followed the debate since the budget before last that we have been very critical of the funding directions that are given legislative effect in this bill. We are obviously concerned that the percentage increase in funding going to private schools and non-government schools is greater than to government schools. But there is an overriding concern, and that is that the government is more and more clearly putting its education funding agenda on the basis of the promotion of competition, choice and the reform of government schools. We regard those as cover words for the introduction of educational markets, which we believe has negative effects, the privatisation of educational provision and the privatisation of costs.

We have therefore suggested several changes which could be made to the bill to prevent at

least the worst possible consequences of these directions. One of the arguments that has been used in favour of these directions is the argument that they are equity provisions. We believe that when you fuse equity provisions with that sort of logic of markets and privatisation you actually turn them on their head, and we believe that the removal of a cap on funding for the non-government schools means that in fact there is a licence for schools in the nongovernment sector to operate at even greater disparities to the average government school recurrent costs, and this means increased inequity rather than increased equity. We would, however, point out that the evidence suggests that paying a lot of money for a private school education does not deliver anything at least in academic outcomes.

The second part of the bill deals with the accountability provisions, and on these we are quite supportive. We regard the introduction of quadrennial education funding as a major step forward and we call on the states and territories to bring their funding provisions into line with the Commonwealth's so that we can have a reasonably rational and coordinated approach to schools funding. We also endorse the strict accountability provisions. We are very pleased that there is now going to be strong accountability on the non-government school sector, in particular the requirement that they adhere to the national goals for schooling. We regard that as very important because the national goals include a number of equity and social justice provisions which we think need to be transformed into targets. And, of course, we welcome the increased accountability which now puts non-government schools on a par with government schools in terms of accountability in terms of the MCEETYA targets. It is not in the legislation, but in the supporting documentation provided by DETYA it is very clearly stated that the intent of the accountability provisions is not punitive. In other words, the intent is not to take funding away from systems or from schools which are not meeting the target.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 3

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

We are pleased to see this stated very clearly and unequivocally, because it has been a major point of controversy for the last four years or so.

The process is one that, like all processes, may be a bit problematic. If the schools or systems fail to reach their targets, there are then effectively bilateral negotiations between DETYA, the minister and the school or system to reach agreement on what should be done in order to continue to receive Commonwealth funding. If those negotiations fail, the minister can regulate, but the protection there is a parliamentary one, that the regulation will be a disallowable instrument. This obviously induces some problems, but we think overall this is probably as good as you can design in terms of accountability provisions.

The third aspect of the bill is the further steps towards broadbanding. We accept the arguments that undoubtedly will be put forward by DETYA that broadbanding in fact facilitates greater flexibility of delivery and local flexibility of delivery, which is very important. But we have to say that this kind of approach only works if it is linked to very clear accountability provisions.

I will give you the example of the old disadvantaged schools program, which had a very clear focus on equity. Its broadbanding into literacy and numeracy programs resulted in a certain loss of focus on equity, which we think is now starting to come back a bit as a result of some of the accountability provisions. We would like to see them made tighter in that area. I would note, in conclusion, that perhaps the minister is not always consistent in this argument for local flexibility, because while the disadvantaged schools program was abolished the country areas program was not.

Senator CARR—Dr Morgan, thank you for your submission and thank you for appearing today. I notice that the advocates for the non-government sector—for instance, the Association of Independent Schools of Victoria Inc. and many others—say that the SES model which the government is now using as its primary funding instrument will provide an objective, flexible and efficient means of distributing moneys which is more transparent than the current arrangements. What do you say to that?

Dr Morgan—The first comment to make is that, if the advantages are so great, it is a surprise that they apply to such a small minority of the non-government schools. The Catholic system as a whole is exempted from those provisions and has an overall negotiated agreement on funding level. Indeed, all schools have been guaranteed that they will not lose from the

application of the SES model. If it is as wonderful as all that, that is a bit of a surprise. Our estimate is that at most 20 per cent of schools and probably less than that will actually have the SES model applied to them.

In terms of transparency, I do not believe that this model is any more transparent than the previous model. In fact, some important features have been lost as a result of abandoning the previous model, most notably the one that I referred to: the link between overall school resources and government funding. This now means that schools that are operating at average expenditure levels very much above those that are the average for government schools are still receiving substantial government funding, not just from the Commonwealth but also from the states.

You find in a state like New South Wales, for example, that the money that is going to the elite private schools—and I am exempting here the Catholic schools from the calculation—is greater than the money that goes into the New South Wales disadvantaged schools program. As I heard over the weekend in Tasmania, the money going to the most elite of the private schools in Hobart is actually greater than the overall budget of the Tasmanian department's EWR/SBE 4 SENATE—*Legislation* Tuesday, 22 August 2000 EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION indigenous education unit. These sorts of things illustrate the need to focus our money far more clearly on identified areas of disadvantage. Unfortunately, the SES model does not do that.

Senator CARR—You say in your submission that a more appropriate funding model would be to develop an agreed standard of resources, facilities and staffing at all government schools and which would vary depending on school location and other factors. Can you enlarge on that?

Dr Morgan—We believe that one of the problems in the debate around education funding is that we argue a lot about sums of money with no real link to the actual needs of school. We notice that the recommendations of the Victorian inquiry into the future of schooling are very similar to the funding model that we would indicate, and that is consideration of the educational needs of schools. We would start with the funding needs of government schools so that they have an agreed level of facilities, resources and staffing. That is a funding model that has to take into account factors such as that the delivery of Internet services is more expensive in country areas or that it is more expensive to heat older schools, for example, which are not properly designed. On top of that, we believe that you should then apply. Once you have guaranteed all schools an agreed minimum, you should then apply equity funding based on identified areas of need in schools.

The obvious target groups are low SES, indigenous origin, rural and remote location and of course children with disabilities. We should put the money in with the aim of increasing the level of equity funding until we are approaching equity in outcomes across those different social groups. Then we can turn to the non-government sector. We would argue in general that we are comfortable with equity funding going into the non-government sector. We are certainly not going to argue that we stand for equity, but not if your parents decide to send you to a non-government school. However, we believe there should be some basis on which you decide how much non-government schools get. We believe that basis should be set by the extent to which they meet the social obligations of governments schools—that is, they provide a place for all students irrespective of parental capacity to pay or parental beliefs. So you would weight whatever funding went into the non-government sector in terms of the extent to which it restricted enrolment of students by charging high fees or being selective in other ways.

Senator CARR—It might be all very well to talk about need, but at the end of the day it does come down to dollars.

Dr Morgan—Absolutely.

Senator CARR—My reading of the situation in this bill is that when the government came to power in 1996, 43 per cent of Commonwealth revenue went to government schools. By the end of this quadrennium the figure will be down to 35 per cent.

Dr Morgan—We would agree with those calculations.

Senator CARR—You would agree with that assessment?

Dr Morgan—Yes.

Senator CARR—If that is the context in which you are approaching this bill—I notice your comments in relation to marketisation and choice, and you refer to American data here of Professor Peterson in terms of the schools of choice in United States—I ask you: what is your association’s expectation of the consequences of pursuing a philosophy which backs up Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 5

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
this proposition that you can get what is effectively a 20 per cent transfer in Commonwealth government support from one sector to another over an eight-year period?

Dr Morgan—First of all, I would make a general comment on the issue of choice. I think it is quite clear that choice has never been denied in Australian schools. Perhaps it was at one stage in your choice of government schools because of rigid zoning, but rigid zoning is a thing of the past. Parents do make some choice, even within the government school system, about the sort of school—a small school or a large school, a school with particular programs—which will best suit the needs of their children. But it is clear that unregulated choice that does not provide a guarantee for students—which makes their education dependent on parental income or which does not give them a guarantee to a high-quality education in a local government school—actually creates the reverse of the equity considerations that I am sure we are all after.

The experience in New Zealand—and it is the best documented of all—has shown that in the absence of that sort of regulatory framework unalloyed pursuit of choice does not increase educational outcomes on average and also increases the amount of inequality in the system. It marginalises schools serving low SES communities in particular and in New Zealand—and you can see the obvious parallel to Australia—schools serving Maori communities. We believe the ultimate result of following this direction, particularly since Dr Kemp has made it very clear in several public statements that the aim is to further what he calls ‘reform’ in the government school sector—which we read as the kind of unregulated competition and choice between government schools that in New Zealand has produced negative consequences—will be increased inequality in schooling in Australia.

CHAIR—I was a little curious about your defence or semi-defence of the ERI in terms of private school funding—I am just inferring this from your comments—in preferring that as a funding model for private schools over the newer SES system. Would that be a correct reading of what you are saying?

Dr Morgan—No, that would not be a correct reading. What I said was that it was preferable to the current SES model, because what the current SES model has done is to remove the cap on funding. Effectively it will allow private schools—we are talking here about the elite private schools, the \$10,000 or \$15,000 a year private schools—to operate at increasing levels of expenditure, over and above that which are allocated to government schools. I do not think there can be any doubt that that is at least a possible consequence of this because, once again, the supporting documentation makes it very clear that one of the aims—and I think I can quote it almost word for word—is to abolish disincentives to private investment in education. I think you might be able to develop an SES model and include a funding cap, which might be better than the current ERI model.

CHAIR—The ERI model is highly criticised for a number of reasons. Would you not agree that the SES model in terms of the newer schools creates a much fairer system, given that the parents of a lot of the students going to these schools are certainly not rich and they make enormous sacrifices? Therefore, the new SES model recognises that capacity of parents to pay this sort of money.

Dr Morgan—ACSSO as an organisation is always very susceptible to equity arguments. But I think you have to look at the actual consequences of what is going on. The way in which the SES changes have been structured is that the big changes are going to schools that have been charging very high fees, often because of dedicated communities attending them, on the basis of the socioeconomic status of the community. It does not however recognise the very EWRSBE 6 SENATE—*Legislation* Tuesday, 22 August 2000
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
large needs and has not resulted in major increases in funding for schools—for example, in

the Catholic sector or in schools that charge low fees and which have, nevertheless, very great equity needs. The approach of trying to seek some equity and some basis on the socioeconomic status characteristics of the school community we could not argue with. But the way in which it has been applied, with the abolition of the cap and its inconsistent application across sectors—even within the non-government sector between different schools and different sectors—creates real problems.

CHAIR—It seems to have fairly wide acceptance out there. Turning to the question of the peculiar situation of New South Wales—and you, of course, coming from a national perspective might have some comment on this—where parents seem to be voting with their feet in increasing numbers and where there is the largest shift from the public to the private system in actual numbers of students as a proportion. Do you have any comments on why New South Wales is perhaps so peculiar in this regard?

Dr Morgan—I would first of all make the general comment that there is a lot of talking-up of the crisis in government schools, based on enrolment shifts. If you actually look at the data, you can see that in over 20 years there has been less than a 10 per cent shift and that government schools still serve approximately 70 per cent of Australian children. So the suggestion that parents have fled the government school system is, I think, an exaggerated one.

CHAIR—I would just like to examine those figures. Going from 1974, there was 19 per cent private enrolment and it is now touching on 30 per cent—

Dr Morgan—Yes, that is about right; that is about 10 per cent.

CHAIR—Yes, a real 10 per cent. But in terms of a rise on the original it is a 50 per cent shift in 25 years. You do not think that is alarming?

Dr Morgan—You can play with figures in all sorts of ways.

CHAIR—I am not playing. Let me assure you that I understand statistics. It is not playing with figures; it is a 50 per cent shift. If you go from 19 per cent to 30 per cent, it is a 50 per cent shift.

Dr Morgan—That is still a 10 per cent shift in the population. So you can put it your way and I will put it my way.

CHAIR—You are the one playing with figures in trying to argue that.

Dr Morgan—I think both of us are statistically correct.

CHAIR—If you want put your head in the sand, that is fine. Do you have any comment on why New South Wales is so different from the rest of the country?

Dr Morgan—New South Wales over time has not been that different. There is a recent shift. We have been concerned about the situation in New South Wales and we are very pleased to see that the New South Wales department of education is now turning around and starting to very positively preach the strengths of government schooling, which has not been done for many years. We believe it is very hard for government schools to get a good press in New South Wales in particular. These are all contributing factors. I note that at the recent conference of the Australian Parents Council Dr Kemp attacked the New South Wales government for failing to increase funding for government schools and said that this was the cause of the shift. We actually sat down with the Productivity Commission figures from the report on government provision 2000 and did the calculation. You find that over the period Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 7

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION 1992-93 up to 1997-98, and I do not have more recent figures, New South Wales was one of the top three, whereas the bottom three were Victoria, South Australia and the ACT. I would be quite happy to provide those calculations to this inquiry—

CHAIR—I am very happy to have those calculations, but I make the point that the first five of those years were under a Liberal government and the last two of your figures are under a Labor government.

Dr Morgan—I point out that the three lowest performing states—

CHAIR—Would you mind not interrupting. I have not asked the question yet, and that is what I am trying to ask. If we could come to the more recent figures, in the last state budget the rise in state government funding for the state schools in New South Wales was a little over two per cent and federal funding was an increase of over five per cent. You said that the state

government has been preaching the benefits of state schools. Wouldn't you agree that a two per cent rise in state funding compared with a five per cent rise in federal funding is showing that they are not backing that rhetoric with actual dollars?

Dr Morgan—I have not seen the figures and I have not calculated those figures but, accepting your figure, we would certainly argue that every state and territory government should be making a greater effort to increase funding for its government schools. We believe they have to be positive in their defence of government schooling but they also have to back that up with dollars. We have given support, and I would be quite happy once again to table the press release on Dr Kemp's challenge to the state governments. We believe it is an important one.

Senator ALLISON—You say you are satisfied with the increased accountability measures that are proposed in the bill. Perhaps you could expand on that a little. I wonder whether you could tell us whether in your view they assist us to understand the total expenditure per student. Is there a necessity, in your view, for us to know that?

Dr Morgan—We have taken the accountability provisions in the bill on face value: the need to adhere to the national goals for schooling, the need to adhere to what we are promised will be targets agreed on by MCEETYA. That is a statement of intent; I do not think there is anything in the bill which would prevent the minister from making other targets, perhaps by regulation. But that will be a disallowable instrument and as long as there is political debate on those matters we are quite happy. In terms of the transparency of Commonwealth and state funding, I think there is a requirement to be much clearer on those matters. I would have to say that the Commonwealth is in many ways much more transparent than most of the state governments. We find it very difficult—we are a small organisation without research staff—to go back and actually unpick state budgets and find out just what are the consequences for funding for schools across all sectors. We particularly find it difficult because most of the data available actually roll together two things which would not be rolled together, and that is funding for the Catholic system and funding for the independent sector. We believe that they are very different in their funding characteristics and also in their socio-demographic characteristics.

It would be very helpful if MCEETYA and the report on government service provision actually carried out a thorough analysis of Commonwealth and state funding—more thorough than it currently does—and break it up in terms of different sectors along the lines I have outlined: government, Catholic and independent. There may be a need, and the SES model is I think pointing to this, to break up the independent sector into high fee and low fee schools.

EWRSBE 8 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator ALLISON—Again on that point, do you see an advantage in there being transparency regarding other forms of income to private schools, such as bequests, trusts and the like?

Dr Morgan—We would be very happy to see all schools reporting on their total resources. One of the propositions we have made here, because it was monitored to some extent in the old ERI model, is the monitoring of fees in the non-government school sector. If it is an equity model, the only chance it can produce even a minuscule effect on equity is to actually lead private schools to start cutting their fees. Yet I understand that DETYA has no plans to monitor that sort of process to see whether whatever small gain there may be in equity through that process will take place. I think Senator Carr asked a question on that at Senate estimates, and I think that was the outcome: that DETYA was not in fact intending to monitor the effect of these provisions on private school fees.

More generally, yes, I think it would be very, very useful for MCEETYA presumably or the steering committee on government service provision to actually look at overall school resources. As you know, previous Senate inquiries have tried to do this in relation to the impact of voluntary contributions in the government school sector. I think it is only when you do that that you will have a realistic picture of the balance between government and private investment in schooling and how that differs between the different sectors.

Senator ALLISON—You recommend that accountability be expanded to include reporting on enrolment practices, suspension, exclusion policies and the like. Are you able to

make any recommendations about the sort of formula that should be adopted? If you have not done that, is that realistic given the time frame for us to deal with this bill?

Dr Morgan—I think given the time frame and the constraints on this bill, which has to go through at some stage to ensure that funds continue to flow to schools, that may be an unrealistic suggestion. We certainly have not looked at a model, but we would certainly put that up for active consideration for development as MCEETYA targets to feed back into the existing accountability provisions. There is a real concern in government school systems that, with the overwhelming majority of private schools, when they have really difficult behavioural problems, when they have drug problems or when they have any sort of problem of that kind with a student, instead of carrying out pastoral care, they remove them from the school and they often end up in government schools. I would defend absolutely the role of government schools in supporting those kids who have got real problems, but I think that is a very important factor to take into account when we look at funding formulae for schools.

Senator ALLISON—Finally, on what date did ACSSO first see the draft bill?

Dr Morgan—We downloaded it from the web site when it first became available. I could not give you an accurate date. We received a briefing from DETYA on the bill not last Friday but the Friday before, whatever date that was.

Senator CARR—Is that the only consultation you have had with the government about the preparation of the bill?

Dr Morgan—There has been talk in general terms and veiled illusion in some of our discussions with DETYA about increased accountability and how we would feel about increased accountability. In general, we have said that as long as it is sensible accountability we have no problems whatsoever. We are very much in favour of increased accountability and transparency.

Senator CARR—What about the model—

Tuesday, 22 August 2000 SENATE—*Legislation EWRSBE 9*

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

CHAIR—Senator Allison has the call.

Dr Morgan—We received a briefing only a week or 10 days ago on what those accountability provisions meant. That is where we saw for the first time the enormously reassuring statement in writing that these accountability provisions would not be applied in a punitive fashion. We certainly recognise the importance of getting that on the public record and out of the public debate.

Senator CROSSIN—Setting aside the debate you may have had with Senator Tierney about the figures, in your mind is this an equitable reform when in this bill somewhere around 95 per cent of non-government schools are going to receive an increase in funding yet there will be no real increase for government schools?

Dr Morgan—There may even be a slight real increase for government schools. It depends what inflation factor you build into your calculations, and those are as much debatable as some of the interpretations of the statistics that we might have. I think the key, however, to seeing the inequity that is built into this bill is to see that the greatest percentage increases are going to the private sector despite the fact that the overwhelming majority of the equity target groups are actually enrolled in government schools. I do not think there can be any statistical argument about this: well over 80 per cent of students living in rural and remote areas, of indigenous origin, from lower SES families and with disabilities, which are the major equity target groups in Australia, go to government schools. I fail to see how legislation can be described as equitable when in fact the major funding increases are going to schools that do not serve those communities.

Senator CROSSIN—You talk about the percentage of children in rural areas, but overall what percentage of children in this country attend government schools?

Dr Morgan—It is still slightly under 70 per cent, 69 point something on the latest figure I have seen. It is still the overwhelming school of choice for most parents.

Senator CROSSIN—You referred in your submission to a letter that says that the Commonwealth has principal responsibility for non-government school funding. Do you agree with that statement in Dr Kemp's letter?

Dr Morgan—No, we do not. We do not believe it is appropriate for the Commonwealth

government to say that it has the principal responsibility for funding non-government schools and that funding government schools is primarily the responsibility of the states. We have always argued that there needs to be a Commonwealth-state coordinated approach to the funding of schools. That is why, when the Commonwealth does what we regard as good things, such as the introduction of quadrennial funding and tightened accountability measures, we will recognise that they are valuable things to do. We have called on the states to match the quadrennial funding because we believe it will enable us, following through that logic, to put in place a coordinated approach to Commonwealth-state relations in funding schools. I might point out to this committee, though this will undoubtedly be the subject of a subsequent inquiry, that, as we move fully into the GST funding area where the states will have the GST revenue untied at their disposal, this may put pressure on some the funding of Commonwealth special purpose programs, and I think we are going to have to look very carefully at developing a solid set of funding structures to ensure that the Commonwealth and states are pulling in the same direction in terms of schooling.

Senator CROSSIN—We have seen about 26,000 extra students enrolled in government schools, and at the same time only about a one per cent drift in enrolment to non-government schools nationally. Looking at this bill in terms of fairness, your counter organisation, the EWRSBE 10 SENATE—*Legislation* Tuesday, 22 August 2000 EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION National Council of Independent Schools Associations, has a quote in their submission that they believe that these arrangements are a more equitable means of allocating Commonwealth funding for schooling. How can this be the case if this bill still maintains the enrolment benchmark adjustment?

Dr Morgan—The enrolment benchmark adjustment has always seemed to me to be a real aberration in Commonwealth-state relations. We could go through a very complicated debate and explanation of the EBA, but essentially what it does is that it calculates the funding that government schools would be entitled to under Commonwealth funding formulas, and then says, ‘We will deduct a certain amount from that because we reckon you’re making future savings.’ The end result of that has been particularly severe in New South Wales. We believe that that particular piece of regulation should be abolished. It actually makes no sense. ‘Apply the funding formulae as they It certainly does nothing to contribute to achieving equity goals in either of the two systems because, as t exist’ is one of the very first steps to sort out these difficulties in Commonwealth-state funding relationships. he government constantly points out, the money does not go directly to the non-government schools—and ACSSO has never said that it does. So it does not contribute to them and it does not contribute to the government schools which, I repeat, serve the overwhelming majority of the students in the equity target groups because it takes funding away from them.

Senator CROSSIN—Finally, we have heard many criticisms of the ERI funding model. I have yet to actually see clearly articulated specifically what those criticisms are, but is that a model that ACSSO would have preferred to work with, looking at reform and changes, as opposed to this funding model?

Dr Morgan—It is interesting. We were never part of the consultations around the original review of the ERI, yet it was extraordinary how many suggestions about what might happen in the government school sector actually came out of that review.

Senator CROSSIN—When was that review?

Dr Morgan—I do not have that at the top of my head. That would have been 1997. I think the consultation document was, after extensive consultation, released at the end of 1997. But you could check that with—

Senator CROSSIN—All right. You were never formally part of that review?

Dr Morgan—We were not part of the initial consultations leading to the release of the document on the ERI because we were told it concerned the non-government sector which was none of our business. It nevertheless made a number of suggestions about what might happen in the government sector, and from then on we were very intensively involved in that we had a very robust response to the review document. ACSSO—

CHAIR—I am sorry, but we are running out of time. There are some other senators who have some questions. If you could wrap it up quickly.

Dr Morgan—In one sentence I will answer the question, which is the one that you have effectively already raised: would we prefer to work on the ERI model. We believe that there is advantage in the SES model in the sense that it does take account of the socioeconomic status of communities, and we are always amenable and susceptible to arguments around equity. We believe, however, it is flawed because it is not being systematically applied to all schools but only to a minority of schools in the non-government sector. And we believe it is flawed because of the abolition of the cap which introduces increased inequity rather than equity.

CHAIR—Thank you. Senator Brandis.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 11
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator BRANDIS—Dr Morgan, I want to ask you about equity as well. When you speak of equity, do you mean that there ought to be acceptable minimum standards common to both the private and public systems or do you mean that there ought to be equivalent or near equivalent outcomes across the private and public systems?

Dr Morgan—When we talk about equity, given that the public and private systems are always going to have, at least for the foreseeable future, different enrolment bases—and data on this is quite clear—they may well have different outcomes. But what we would argue is that when you look at your major equity target groups, our definition of equity is in terms of equity and outcomes. That does not mean that every kid will—

Senator BRANDIS—But what do equity and outcomes mean to you?

Dr Morgan—I will tell you what that means. What it does not mean—because this term is often seized upon by people—is that all children will be identical. That is both an impossible and not a desirable aim. What it does mean is that, across major social groups, there should be equity in the distribution of outcomes. So if you looked, for example, at your indigenous community, you would hope that the range of educational outcomes achieved within the indigenous community would be the same as the range for the whole population. We would put a similar analysis on low socio-economic groups, students living in rural and remote areas and, to the maximum extent possible, students with various disabilities.

Senator BRANDIS—Does it follow from that that equivalent outcomes, albeit spread across differently defined socio-economic groups, is what you mean by ‘equity’?

Dr Morgan—Yes, that is what we mean by equity, and that will require inequitable funding. It is very clear that, if you are going to lift outcomes in the indigenous community, you are going to have to spend more per capita on indigenous students or students in low SES areas or students living in rural and remote areas and, most obviously, students with disabilities to achieve that kind of equity.

Senator BRANDIS—Dr Morgan, do you regard choice as being a good in itself?

Dr Morgan—Choice is obviously a good in itself. That is why government schools have moved away from systems of rigid zoning to provide for a certain amount of choice. Parents always seek—I think this is true of all parents—the best outcomes for their children. It is true that parents within a government school system pick and choose between schools in terms of their special needs. A recent survey by the Association of Independent Schools of Victoria was very interesting, for example. It pointed out that a number of parents were moving their children from government schools to private schools because they were looking for small schools. Of course, the reason they could not find them in the government school system in Victoria was that they had been closed down as a matter of government policy.

Choice is fine, but unregulated choice can lead to the situation in New Zealand of marginalising schools serving working class communities and Maori communities. That could have obvious application to Australia in relation to indigenous communities. We would argue that it is important to properly fund the choices that exist within the government school system because it is the government school system that serves the overwhelming majority of those equity target groups.

Senator BRANDIS—If a core role of funding is to facilitate choice, which you agree is a good in itself, then surely one of the priorities of funding has to be to facilitate choice across sectors as well as within the government sector.

EWRSBE 12 SENATE—*Legislation* Tuesday, 22 August 2000
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Dr Morgan—As you know, governments always face choices themselves. We would say that, because of where the students are, the biggest contribution that can be made currently to achieve equity is not to put the money into this abstract entity called ‘choice’—

Senator BRANDIS—I am not asking you about equity; I am asking you about choice.

Dr Morgan—I am answering you. If you are faced with a choice in government of putting money into an abstract promotion of choice or putting money into real provision for equity target groups, we would argue that the money should be going to support those equity target groups. We do not see choice as being more important than the pursuit of equity, which is why we believe that choice needs to be regulated.

Senator BRANDIS—Do you see it as being as important as the pursuit of equity?

Dr Morgan—No, we do not see it as being as important. We think that the biggest challenges for schools systems in Australia are in the pursuit of equity. They are the biggest social challenges in Australia.

CHAIR—Thank you for appearing today, Dr Morgan.

Senator HUTCHINS—You did not ask I if I would like to ask a question.

CHAIR—We have had two from that side. Okay, one question.

Senator HUTCHINS—Dr Morgan, in relation to children with special education needs, could you comment briefly on how they may be affected by the proposed changes in this bill compared to how they are currently affected?

Dr Morgan—There is provision in the bill for the promotion of provision for students with special education needs within the non-government sector. As I said, we are not opposed to funding to support students with special needs—be they classed as disabilities or those more sociodemographic forms of problems that students have—but we believe once again that the overwhelming majority of students with special learning needs are enrolled in the government schools. We therefore believe the funding has to go to those schools and not to promote an abstract notion of choice, which may not deliver for those students.

Senator HUTCHINS—So how would they be affected by government schools?

Dr Morgan—In the same way essentially as any other student from one of those equity groups might be.

Senator HUTCHINS—Do they get any more money or do they get any less money?

Dr Morgan—The schools get more money. Whether that will result, whether that will be put, unless the accountability provision is there, into catering for those students is another matter. In terms once again of equity—which, I will repeat, we regard as much more important than choice as a social goal—the argument seems to be that if you put the money into the private sector it will enable them to cut their fees, enabling more students from those areas to go to them. As you know, educating students with special learning needs is extremely expensive. So the argument would be that a few more students in that situation might be able to be looked after by the private sector. We would argue that, given they are currently in the government sector, that is where you ought to be putting the money—not disproportionately into the private sector.

CHAIR—Thank you, Dr Morgan.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 13

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

[10.27 a.m.]

DOYLE, Reverend Thomas Michael, Deputy Chairperson, National Catholic Education Commission

TEMBY, Mrs Therese Mary, Member, National Catholic Education Commission

CHAIR—I welcome representatives from the National Catholic Education Commission.

The committee has before it submission No. 9 from the National Catholic Education Commission and submission No. 23 from the Catholic Education Commission of Victoria.

Are there any changes that you wish to make to either of these submissions?

Rev. Doyle—No.

CHAIR—The committee prefers all evidence to be given in public but, if at any time you wish to give any evidence, part of evidence or answers to any questions in camera, you may make the request. The committee will consider the request, but such evidence may subsequently be made public by order of the Senate. I now invite you to make a brief opening

statement and then we will go to questions.

Rev. Doyle—Thank you for the opportunity to put in the submission and also to appear. Just by way of clarification of some of the matters in the submission, as the summary says, the National Catholic Education Commission support the funding provision and sees it as part of their ongoing development of funding policy in particular and education policy in general. We also support the funding arrangement for individual non-systemic schools in terms of the SES and the funding maintained position.

The Catholic schools have about 65 per cent of non-government enrolments. Relevant to that is also the fact that about 86 to 87 per cent of students in Catholic schools are part of the Catholic systemic school system, which is relevant to our position on the legislation, which supports Catholic schools as a system. We see that as one of the prime advantages of the present legislation. In terms of comparison, the Catholic systems would see themselves as being closely related to and more like the state government systems because of their range, their geographical spread and their attempt to educate people over all socioeconomic levels. What happens in the Catholic systems, of course, is that there is a redistribution of state and Commonwealth grants. For instance, in Victoria, where the primary grant is, say, \$2,380, the lowest primary grant impact on a school is \$1,986 and the highest, to the poorest of the schools, is \$7,109. There are similar figures for most states, particularly Western Australia; those figures are distribution according to need.

The level at which the state Catholic systems are to be funded under the legislation compares with level 11. One of the primary points we would like to make to the inquiry is that that need was established by an independent commission in 1997. Of course, it also relates to SES and resource availability. The National Catholic Education Commission is strongly supportive of any system that gives some security and predictability of funding and, of course, gives equity across the range of enrolments. The maintenance of the integrity of the Catholic system is the most important thing for us and it is the reason why the National Catholic Education Commission accepted the proposal in the legislation to be funded at the 56.2 per cent SES level, which approximates to level 11 in the old funding system.

The Catholic systems would have actually benefited more from an aggregation according to SES levels but in fact we opted, in negotiation with the government, to stay at level 11 in order to preserve the systemic nature of funding for Catholic schools. In terms of accountability, the national commission supports open, public and transparent accountability. EWRSBE 14 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Our only query with the legislation is in the suggestion that the minister can act unilaterally. We would prefer to see the minister acting in concert with the state ministers and councils to gain some predictability, I suppose, of accountability. The final point we would like to make is that we do not believe any system is perfect and that we see it as part of an ongoing discussion and negotiation with regard to the Catholic systems and the Catholic non-systemic schools.

CHAIR—Mrs Temby, do you have any comments?

Mrs Temby—No, not at this stage.

Senator ALLISON—Does remaining within the ERI system, albeit a one-category system, advantage the Catholic sector overall in absolute dollar terms compared with going to the SES model?

Rev. Doyle—I think the maintenance of the ERI system, plus the continuing betterment factor, would have been—although Therese is the expert—somewhat to our advantage. In terms of the pure SES aggregation, that would have been to our greater advantage. Is that right?

Mrs Temby—Yes.

Senator ALLISON—So in the short term you would have been advantaged—leaving aside the systemic arrangements—by the new SES process, but in the long term not?

Rev. Doyle—Yes.

Senator ALLISON—Can you put a time frame on that?

Rev. Doyle—It would have been at the end of the funding period.

Mrs Temby—I think it would have been at the end of the funding quadrennium period. If

the new funding quadrennium period had been based on the ERI plus betterment, we would have been advantaged at the end of the quadrennium funding compared to a pure SES model aggregated for Catholic schools, which of course is not what is in the legislation for Catholic systems.

Senator ALLISON—Are you concerned about what happens at the end of the quadrennium?

Mrs Temby—I do not know about being concerned. At the end of the quadrennium it will be another discussion.

Rev. Doyle—That is probably what we have lived with ever since funding. In the redistribution of our funding within the system we use SES, but we use SES in terms of its relationship to resources as well.

Senator ALLISON—That leads me to the next question. How will you distribute the funding you will receive? What sorts of judgments will you make about the needs of particular schools?

Mrs Temby—Perhaps I could talk from the Western Australian point of view, which is not unlike other states.

Senator ALLISON—By the way, is it up to each state within the system to determine?

Rev. Doyle—There are really eight authorities.

Mrs Temby—From the Western Australian point of view, in terms of redistribution of funds, we look at a number of factors. We look at the resources available to the school, both Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 15

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION recurrent and capital. We look at the SES of the community the school serves. We look at the size of the school. In Western Australia we have some very small country schools, so in terms of per capita funds they would obviously need to receive more to be both financially and educationally viable. We also look at the geographic distribution. In Western Australia we have remote schools in the Kimberley. Certainly in a per capita sense they need far more funds to operate in both the financial and the educational sense. All of those factors are taken into account in terms of a funding formula. That funding is then redistributed across all schools according to that wide spectrum of need, which takes into account all of those factors.

Senator ALLISON—Does this process need to be ticked off by the Commonwealth government? What are your reporting requirements in terms of the rationale and the actual dollars?

Mrs Temby—It is available for the Commonwealth if they wish to have it. In recent times, they have not asked for the detail.

Senator ALLISON—The resources available is one of the factors you take into account. Does that include things like trusts and donations, and the ability of particular schools to raise funding?

Rev. Doyle—Yes.

Senator ALLISON—That largely follows the ERI system of determining need.

Rev. Doyle—Yes, and the establishment, certainly in Victoria, of a notional fee which is related to all income.

Senator ALLISON—With regard to the question of special needs students, have you had a chance to look at the bill in that sense? I know the current arrangements for students with special needs under the ERI index have been a big issue for the Catholic sector because of the smaller rate of payment. Will you adjust that in this new system? Do you have a comment to make about the averaging out, which is going to make some changes in the government sector, at least to primary and secondary schools?

Mrs Temby—In terms of special needs, there is the special education grant, which I understand will continue to be the same in real terms, and there is special education per capita, which in the non-government sector has been redistributed in terms of an equal amount for children that come under that category. This will result in more funding in the special education area in the Catholic systems, so there will be more available for Catholic systems for distribution to children with special needs. However, in saying ‘more available,’ I need to make the point that these children require significantly more resources than are available from both the special education grant and the redistribution of the per capita grant. The costs of educating special-needs children are many thousands more than that.

Rev. Doyle—We would see the proposed provisions as being very much in accord with our overall philosophy of distributing according to need, and the system taking responsibility to do that and account for it.

Senator ALLISON—A number of our submissions—again, going back to the accountability question—have suggested that exclusion policies or a range of accountability measures might be introduced as part of this bill. Would the Catholic system have difficulty in accepting that kind of reporting?

Rev. Doyle—I don't think so.

EWRSBE 16 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator ALLISON—There has been a suggestion made that the SES legislation will, in fact, bring a number of independent Catholic schools into the system. Is that your expectation? How many of them are out there to be brought into the fold, as it were?

Rev. Doyle—I think there are—subject to correction, just off the top of my head—about 70.

Mrs Temby—I am not sure of the exact number.

Rev. Doyle—There are about 240 out of all the schools. About 14 per cent of Catholic schools are not in the system. I would expect that, by the beginning of this new quadrennium, it will be all schools in Queensland, all schools except one in Victoria and all schools except seven or eight in Western Australia—the others vary a bit. But there is a greater inclination to be part of the system in terms of the provisions and the support the systems offer, independently of what is happening with regard to the new funding system.

Senator ALLISON—You did not quite answer my question. Do you expect those schools to be encouraged into the system, and are there financial reasons for them to do that?

Rev. Doyle—Yes, I would expect them to be encouraged. The financial reasons probably amount more to a guarantee of where they are than to increased financial gain. But I think we need to go into it.

Mrs Temby—In terms of the straight financial parameter, there would be some schools that may gain and some schools that may lose. Certainly, in coming into a system, those schools would then be part of the system coresponsibility and part of a system formula. So it would not be clear-cut in terms of what they would have received from the Commonwealth as nonsystemics.

Senator ALLISON—But are they, nonetheless, now trying to figure out whether they are better off in dollar terms being part of the system or not? And, if so, can you characterise the ones that are likely to come into the system? Will it be those at the lower end of the income spectrum or will it be the wealthier schools?

Mrs Temby—I think we will have some of both coming into the system. But I do not actually think that funding is the only reason—there are other reasons around the Catholic structure—schools are coming into the systems. They are: withdrawal of religious orders, where the religious order is handing over the accountability to a system—

Senator ALLISON—So this is a parallel—

Mrs Temby—There are a couple of other parallel things happening.

Senator ALLISON—Nothing to do with the bill?

Mrs Temby—Nothing to do with funding. I just wanted to make that point, as well.

Senator ALLISON—Can I ask that question about just the funding, because this is what we have to consider.

Mrs Temby—I think some schools will take into account all of the parameters and may then look at whether they may or may not come into the system, but I do not think the funding can be looked at in isolation.

Rev. Doyle—For instance, in Queensland some of the schools would lose by coming into the system. The wealthier schools that do come into the system do not have their funding maintained, but they attract to the system their level. They do not necessarily get that funding.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 17

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

The Catholic system does not give any guarantee to maintain the funding of schools coming into the system but insists on the fact that it can be redistributed to the less well-off schools.

Senator ALLISON—My reason for asking is that it has been suggested by a number of submissions that the wealthier schools will gain from this legislation, so my interest in which schools will come in is to try to tease that out a little. But you do not have anything further to add about it.

Mrs Temby—No.

Senator CARR—Reverend Doyle, is it the case that the Catholic education system will attract \$100 million out of this package?

Rev. Doyle—Roughly that, yes.

Senator CARR—Is it the case that that money will be paid immediately the bill is passed—that is, from the beginning of next year—and that, unlike other programs, it will not be phased in? So it is effectively an up-front payment?

Rev. Doyle—I am not sure.

Mrs Temby—I do not think it would be an up-front payment. I think it would be a payment in the funding year 2000. In terms of the actual figure, it really depends on what the indexation for this year is before we can work that out.

Senator CARR—Has the department advised you that the figure is \$100 million?

Rev. Doyle—No, we have only talked in ballpark figures so far. I suppose another aspect of that is that most of the increase goes into the primary schools, which are the poorer part of the system.

Senator CARR—Yes, I understand that. My advice was that it was \$100 million. Is the broad figure that you have been given consistent with that figure?

Rev. Doyle—Yes.

Senator CARR—I would like to pick up the point that Senator Allison was making. I also understand that some 38 independent Catholic schools are joining the system. Is that figure correct?

Mrs Temby—I do not know that figure.

Rev. Doyle—It would not surprise me if that were correct, because quite a number in Queensland have come in.

Senator CARR—So it would be reasonable?

Rev. Doyle—Yes.

Senator CARR—In previous years, have you had that sort of transfer to the system in any one year?

Rev. Doyle—It has been a progression rather than a big jump. In Victoria, it has gone from about 25 schools out of the system to one over a number of years. Sometimes you have got three and sometimes you have got six. I think that would vary over the states.

Senator CARR—But 38 would be a significant number, would it not, in terms of statistical trends?

Rev. Doyle—Yes, certainly.

EWRSBE 18 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CARR—The Catholic Education Office put enormous resources into participating in the stipulation study on the SES. Would that be a fair observation? You had a large number of schools participate.

Rev. Doyle—We certainly participated. I do not know whether I would describe it as ‘enormous resources’. We certainly put resources in.

Senator CARR—You took the process very seriously is the point I am trying to make.

Rev. Doyle—Yes.

Senator CARR—I notice on the second last page of your submission, which is page 102 of our booklet, you say:

... a combination of measures are needed—

So you are implying that, if you are looking at funding models, there ought to be a range of indices used, rather than the SES model itself. You say:

These include recurrent and capital resources, geographic spread, the necessity to provide a wide range of central services, the socio-economic status of the populations served by the schools—

Given that you put so much energy into looking at the SES model—and I had representations from the Catholic Education Office in Victoria when the model was being prepared—and

given that 65 per cent of the system is represented by your presence here today, how adequate do you think the SES model is?

Rev. Doyle—We would still maintain that the SES model in itself is not sufficient and that it needs modification—with the factors you have just mentioned. We would also say that, realistically, we accepted the political reality of the situation as it is.

Senator CARR—With 65 per cent of the system being outside the SES model—that is, you have special provisions in this bill—and something like 25 per cent of non-government schools having their funding guaranteed—that is, the no disadvantage test being applied—which brings it up to about 90 per cent of the system being effectively outside the SES model, how representative is it as a method of calculating funding if it applies to so few schools? The figures I have seen are of 750 schools of the 2,500 non-government schools operating in this country. How representative do you think the SES model is?

Rev. Doyle—We would agree that there is not a consistent SES model in the legislation. In fact, you are dealing with Catholic systems, you are dealing with funding that maintains nonsystemic schools and you are dealing with non-systemic schools according to their SES status.

I cannot remember the exact percentage—but I thought it was slightly higher than 10 per cent.

Mrs Temby—Yes.

Senator CARR—I come to the point that was put to us by many submissions that this is a much fairer and more equitable and transparent method for the distribution of funds. You have chosen to step outside of it, obviously for good reasons concerning the welfare of the students you are trying to educate, and 25 per cent of the system is automatically outside of it because they have a guarantee of funding—the no disadvantage test. I again pose the question to you: how adequate a model would it be—as it is currently proposed—for those schools that are actually using it?

Rev. Doyle—The schools that are covered by the purely SES model are schools that have really opted into that system. They obviously see that differently from the way we have seen it. The key for us of where we opted to be was the overwhelmingly systemic nature of Catholic education in the sense that 86 per cent or 87 per cent are in systems. I suppose the

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 19
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
funding is somehow or other related to an SES level, but it is related to that level because of the amount of funding that was established by that independent committee in indicating the need in the Catholic systems.

Senator CARR—The application of the cost-to-government schooling model is 56.3 per cent for secondary students. Can you explain how that figure was arrived at again?

Rev. Doyle—It is the closest approximation, without loss, to the level of funding that the Catholic systems had got under the old funding system. Frankly, I think that was how it was chosen—in negotiation between us and government.

Senator CARR—I suppose that is what I am getting at. When I look at the mathematics of this and the claims that are being made about it being more equitable, transparent and objective and then I hear that for 65 per cent of the system it is effectively a process of negotiation, I wonder whether or not it is objective, transparent and equitable. When I look at the other end of the scale in terms of the category one schools and the concerns that have been expressed about the 65 top schools in Australia sharing amongst themselves somewhere between \$40 million and \$50 million, which is half the \$100 million that you have been offered for 65 per cent of the system, I wonder: how objective and fair is that?

Rev. Doyle—I think you could argue that it is more objective because it is related to a measure whereas, under the old system for those schools, their funding was not related to a measure. The level is 16. It is a special situation, really.

Mrs Temby—The point I would make is that we are really talking about quite different entities. We are talking about individual schools and systems. So it is very difficult for those different entities to have the one model.

Senator CARR—It is just that they are 65 of the wealthiest schools in Australia—your Geelong Grammars and your very elite schools in Australia—and you are catering for 65 per cent. I think you said that it was 86 per cent of the enrolments in the system.

Rev. Doyle—That is the Catholic—

Senator CARR—Yes. Before this Senate committee today you are representing 65 per cent of the whole non-government school system. You are getting \$100 million. Those 65 elite schools getting somewhere up to \$50 million. You are saying to me that there are different measures, and I am wondering what the nature of those measures really are, as distinct from the claims that have been made about objective tests.

Rev. Doyle—I think the answer is that it is an objective test that some people accept. We would be saying that the SES needs to be modified. I suppose the result of that modification is where we have ended up.

Senator CARR—I am sure that would be a very serious issue for you in terms of any modification.

Mrs Temby—Yes.

Senator CARR—We are all consenting adults here—we understand the nature of this process. But the question I come back to is whether or not this system is, in fact, fairer, more transparent and provides for higher levels of accountability. I notice, for instance, a submission here that says that, under this new system that is supposed to be equitable and clearer, there are 65 different levels of funding, 46 SES models, 18 ERI models continuing—that is, the no disadvantage system, including guarantees to your system through the Catholic Education Office—separate rates in primary and secondary plus a special rate for special EWRSBE 20 SENATE—*Legislation* Tuesday, 22 August 2000 EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION education and distance education and 170 different payment rates. Do you regard that as simple?

Rev. Doyle—I would not. I think it is more transparent in the sense that people know where they stand in relation to it.

Senator CARR—They certainly do.

Rev. Doyle—I do not think I would ever describe any of the systems as simple.

Senator CARR—I think I have made the point that this system has a number of flaws in it. Your submission to us is that the SES model in itself is not adequate, and I appreciate that. The New South Wales government, the Queensland government and the Victorian government have put to us in different forms that the underlying objective of this bill is to actually encourage a transfer of students to non-government schools and that this may, in fact, reignite or certainly inflame the issue of state aid. Because you have opted out of the SES model and the validity of the SES indexing, you have effectively been sidelined in that argument. We do not hear much about the Catholic Education Office in terms of those general questions. What is your attitude on the broader issue of a national schooling policy? How long do you think you will actually be able to remain aloof from those discussions?

Rev. Doyle—I do not think we can ever remain aloof from those discussions. I think the transfer of students from government school to non-government schools is a trickier question than it looks. The Victorian—and, again, pardon me for using Victoria as an example, but I know Victoria—market share of the Catholic systems and the non-systemic Catholic schools has reached its 1968 level, and it will not go much beyond that. So I think there is a debate about perceptions and I think there is a real possibility that the state aid argument will raise its head again. I am not sure whether this system of funding really does encourage transfer, but I certainly think the Catholic systems and the Catholic schools cannot opt out of the debate. We, incidentally, argue very strongly in all our policy documents about the necessity for strong government systems. We do not see ourselves in competition with the government system. We see ourselves as different and as having, in most cases, similar needs to government systems. So we are not supportive of policies that would encourage opting out of government systems.

Senator CARR—I know what you mean. I have visited some of your schools in Victoria. Sunshine, Eaglehawk and various places like that are probably some of the poorest communities in terms of education that I have ever seen. How do think this bill will improve the chances of those particular school communities to reach equitable educational outcomes?

Rev. Doyle—I think it helps them.

Senator CARR—How?

Rev. Doyle—The original help comes in maintaining the funding at level 11. I think all the

funding increases in Victoria will be going to primary schools—and they are those schools. I think it gives them a better chance. I do not know whether it assists in the funding or in the fact that there is more funding.

Senator CARR—I see—there is more funding there; therefore, it is possible to provide greater opportunities.

Rev. Doyle—And it is money for primary schools.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 21

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CARR—Are you saying that you will make a decision about the allocation of that extra money to those schools, even though the money has been provided for increases in secondary education?

Rev. Doyle—No, we cannot do that. The increases are for primary—for us. That is how it works out.

Senator CARR—I have one final question that goes to some technical matters. I trust that you can assist me. I have had some work done on the effect on the minister's powers. You have raised some questions about the increased ministerial powers under this bill. For instance, clauses 50 and 51 talk about ministerial determinations and the retrospective application of those determinations. Are you familiar with those clauses in the bill?

Rev. Doyle—Not those particular ones.

Mrs Temby—Is that in relation to new schools?

Senator CARR—This is in relation to the declaration of schools. Various other clauses actually exempt the Catholic education school system from ministerial determinations and insist that ministerial determinations are not required to be published in a gazette after the original commencement of the bill. So a reclassification can be made to schools without publication in a gazette.

So you have a system basically where there is an original gazettal notice about classifications and then subsequent reclassifications which are not required to be made public by publication in a gazette. I draw your attention to clause 113 of the bill. But then it goes on in clause 50 to say, in terms of retrospective determinations, that the ministerial decision can be made retrospectively and that no notice is actually required. Are you familiar with those clauses of the bill?

Rev. Doyle—No, I would have to say that I am not.

Senator CARR—I know your time is valuable, but would you be able to provide us with any advice on your views as to the ministerial powers in terms of gazetting and changes to registration of schools under those relevant clauses I have referred to today? Could you have a look at that for me? How appropriate do you believe those changes are, given that you have expressed some concern about the increased powers of ministers? I am sure you have a very good relationship with the current minister, and I have no doubt you will have a very good relationship with the Labor minister after the next election. Would you have any concern, however, if in the future there were circumstances where you may not have such a great relationship with the minister? Could this bill could be used to your detriment?

Rev. Doyle—I think that is why we raised in our submission--I do not think it is explicit in what I have said before—that we would like to see these things related to decisions by the council of ministers, MCEETYA, so that the tension between the state and Commonwealth authorities does not become a burden to schools. I think that is where we stand in principle. In answer to your question before I would certainly be quite willing to provide more information about that. But in principle that is where we stand. We want schools to be able to get on with their job without being burdened by these sorts of regulations and so on but we also want schools and systems to be accountable.

Senator CROSSIN—Father Doyle, we have had one submission to us, if I could just put my hands on it, that talks about a school in Queensland. Do you have many schools that would have about 115 students in them, give or take ten or so?

EWRSBE 22 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Rev. Doyle—Off the top of my head I would say yes, particularly in the rural areas.

Senator CROSSIN—Would they have a budget of \$1 million?

Rev. Doyle—I would hardly think so.

Senator CROSSIN—One submission to us talks about a school in Queensland, the School of Total Education in Warwick that, as a result of this bill, will gain nearly \$3,000 per student, even though they have 115 students in the school and a budget of \$1 million. When you say that you think the SES model still needs some more modification, and bearing in mind this scenario I have given you about a school in Queensland, what sorts of modifications are you talking about?

Rev. Doyle—That is where we talk about SES plus things like resource indicators and resource availabilities. The pure SES model does not allow for that anomaly. We would like to see it modified to avoid that sort of anomaly. Does that make sense?

Senator CROSSIN—Inequities?

Rev. Doyle—Yes, there must be anomalies.

Senator CROSSIN—I want to ask you about the percentage of the Australian government schools' recurrent cost. I understand the Catholic system is going to get about 56.2 per cent of that. Is that correct?

Mrs Temby—Yes.

Senator CROSSIN—When was that negotiated? When were those talks held with either the minister or the department? Were they held with the minister or just the department, in fact?

Rev. Doyle—Both.

Senator CROSSIN—When was that?

Rev. Doyle—There would have been several meetings in 1997 mainly.

Senator CROSSIN—Was that over a period of time?

Rev. Doyle—Yes, it was the time the simulation was going on and also as the results of that were coming through.

Mrs Temby—Actually I think it was 1998.

Rev. Doyle—Sorry, but it was over a long period of time

Mrs Temby—It was 1998-99.

Senator CROSSIN—So late 1998 and early 1999?

Mrs Temby—Into 1999, yes.

Senator CROSSIN—You told us what it is based on. How did the negotiations roll out? Did you put a position to the government that they then negotiated with you? Or did you set up a working party to look at it? How were they conducted?

Rev. Doyle—We were represented on the simulation task force, so we knew what was going on. As some issues came up there, we would take the initiative to talk to the department or the minister about them. As things progressed, the minister would ask us in terms of where the Catholic systems would relate. It was a bit of both.

Senator CROSSIN—So this is a figure that evolved out of the task force, as opposed to meetings that you might have had directly with the minister and the department?

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 23

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Rev. Doyle—Both.

Senator CROSSIN—When did you sign off on this figure?

Rev. Doyle—I would say sometime towards the end of 1999.

Senator CROSSIN—Was that in writing? Was there an exchange of letters between the parties?

Rev. Doyle—No, I do not think so.

Senator CROSSIN—So what is the guarantee then that this proposal will stick? It is in the bill but—

Rev. Doyle—I suppose the bill is the guarantee.

Senator CROSSIN—But there is no guarantee of funding after the period in the bill. Is that correct?

Rev. Doyle—I think we take the attitude that we are in negotiating mode every four years. That has been the history. I think the negotiations with government and the department are part of what we would have seen as a normal process of negotiating between a fairly interested party and the government.

Senator CROSSIN—So there was not an exchange of letters between the end of your meetings and the drafting of bill that put the 56.2 per cent down in writing for you? That is the figure you negotiated. It was not lower or higher.

Rev. Doyle—I am not sure that there were letters of agreement. I think there would have been an indication to the minister in writing that that would be the level, but we could check that for you. I am just a little hesitant as to what actually happened.

Senator CROSSIN—Why is there a different level for the ACT?

Rev. Doyle—That came out of that independent inquiry when all the systems were applying for review of their rating from level 10 to level 11. When the ACT did their homework, they were level 10, so they did not proceed with their level 11 application. The systems that got level 11, or the 56.2, were those systems that had succeeded in the review of their previous funding level, and the ACT had not of their own volition been a part of that. In fact, they came out at level 10.

Senator HUTCHINS—What will that mean for parents of Catholic school children in the ACT? Will that mean higher fees for them?

Rev. Doyle—It probably means they are paying higher fees already.

Senator HUTCHINS—I suppose it is another line of questioning for another time. What are your views on the enrolment benchmark adjustment? I assume you have some views.

Rev. Doyle—We have said openly to government that we do not think the enrolment benchmark adjustment is a good strategy. We have also said that it should not be related to the education sector but to the general financial relationship between the Commonwealth and states. We indicated fairly often that we did not think the EBA was a suitable measure.

Mrs Temby—We think it is a Commonwealth-state matter and should not be part of the education area. The Commonwealth and states should do it in what was formerly the financial assistance grants. If there is any discussion to be had, that is where it should be.

Rev. Doyle—In that regard, too, we were concerned that it would raise the state aid issue in the debate. The degree to which that has happened has varied around the states. It is a much

EWRSBE 24 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

bigger issue in New South Wales and Brisbane than it is in, say, Victoria. We are trying to work out why, but we cannot.

Senator CARR—Thank you very much for your attendance. I take it that, if we have any further questions, you would not mind considering questions on notice.

Rev. Doyle—We would be more than willing.

Proceedings suspended from 11.16 a.m. to 11.33 a.m.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 25

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

[11.33 a.m.]

BANNIKOFF, Mr Kim, Acting Director-General, Education Queensland

BRISKEY, Mr Darryl James, Parliamentary Secretary to the Minister for Education, Queensland Government

COSIER, Mr Ian Leslie, Principal Adviser, Strategic Planning, Education Queensland

SWAN, Mr Bradley, Director, Strategic Policy Branch, Education Queensland

ACTING CHAIR (Senator Carr)—I welcome representatives from the Queensland government. The committee has before it submission No. 26. Are there any changes you wish to make to it?

Mr Briskey—No, there are no changes.

ACTING CHAIR—The committee prefers all evidence to be given in public, although the committee will also consider any request for all or part of evidence to be given in camera. I point out that such evidence may subsequently be made public by order of the Senate. I now invite you to make a brief opening statement.

Mr Briskey—Thank you for this opportunity to appear before the committee. I am appearing today on behalf of the Queensland education minister, the Hon. Dean Wells. The minister had initially planned to appear before you today; however, as he is under doctor's orders not to fly, he has asked me as his parliamentary secretary to represent him today in delivering this opening statement. I have with me officers of Education Queensland who are

available to answer the committee's questions on the likely impacts of the passage of the proposed bill.

As outlined in the Queensland submission, there are five main issues that the Queensland government has in relation to the proposed bill. Firstly, the current states grants legislation emphasises the importance of collaboration between the Commonwealth and state and territory governments for accountability purposes. This bill moves away from this important principle by emphasising the pivotal role of the Commonwealth minister in directing the activity of the states and territories. The *States Grants (Primary and Secondary Education Assistance) Bill 2000* empowers the Commonwealth minister to determine performance measures, including performance targets, and other conditions in relation to financial assistance deemed appropriate by the Commonwealth minister.

Further, the bill gives the Commonwealth minister the power to direct a state to fulfil conditions set out by the Commonwealth minister if performance measures, including targets, are not met. If these conditions are not met, the Commonwealth minister may order the state to repay an amount stated in a determination, reduce any other amount or amounts of financial assistance for the state under the act or delay making any further payments to the state under the act until the state fulfils the conditions. Additional information provided by the Commonwealth in a briefing to states and territories outlines examples of conditions that the Commonwealth minister might apply to the states. Such action could include authorities undertaking particular agreed interventions—for example, by deploying advisory teachers to work in identified schools; reviewing and evaluating strategies, and reporting plans for improvement to the Commonwealth; publishing improvement plans within a given time—submitting to independent review, for example, of the capacity to make improvements to literacy and numeracy standards; and providing the Commonwealth with and/or publishing disaggregated data to identify schools having problems. These are unacceptable intrusions in the states' responsibilities.

EWRSBE 26 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

It should be noted here that the Queensland government fully supports the appropriate use of performance measures—for example, to benchmark performance and for use as a diagnostic tool to analyse performance. Performance measures can be appropriately used to reveal cases of good performance that should be rewarded. In other cases, however, the nonachievement of performance measures may indicate, rather than less funding being provided—as would be in the case in this bill—that additional support may be required to provide particular learning support. The Queensland government is opposed to the inappropriate tying of funding to the achievement of performance measures in a manner that gives the Commonwealth minister the power to hold states and territories to ransom. It was never specifically agreed through MCEETYA that key performance measures be linked to funding in this way. The bill is a typical 'Canberra knows best' response. It is a totally unacceptable intrusion into the management of state schools in Queensland. This intrusion is particularly unacceptable given that the Commonwealth provides only approximately 11 per cent of funding for state schools. The Queensland Non State School Authorities Council share our concerns. They have written to Minister Wells indicating that accountability requirements should not be devised unilaterally by DETYA or some other agency and retrospectively imposed. Nor should the minister introduce new requirements within the course of a four-year agreement unless they emerge as the product of negotiations through MCEETYA. The second major concern Queensland has about this bill is that it significantly upsets the balance of funding available for schools for school education in favour of non-government schools. This bill provides significant additional funding for the non-government sector. The 1999-2000 Commonwealth budget forward estimates predicted that annual funding for nongovernment schools would increase from \$2.4 billion in 1998-99 to \$3.1 billion in 2002-03. This is an increase of 30.9 per cent. The 2000-01 Commonwealth budget forward estimates predict that annual funding for non-government schools will increase from \$2.4 billion in 1998-99 to \$3.4 billion in 2002-03—an increase of 41.7 per cent—and by \$3.7 billion or 53.5 per cent increase by 2003-04. Similar figures for state schools show an increase in expenditure from \$1.1 billion in 1998-99 to \$1.5 billion in 2002-03—an increase of only 36.3

per cent. This increase not only is much lower but also comes from a much lower base and must be spread across more than double the number of students. In a letter to all state schools in Australia the Commonwealth minister confirmed that Commonwealth funding for state schools would increase on a calendar year basis between 1999 and 2004 from \$1.86 billion to \$2.27 billion—an increase of only 22 per cent.

The Commonwealth has been comparing government funding for non-government schools with government funding for state schools on a unit revenue basis. This has been the justification for decisions to significantly increase Commonwealth funding to nongovernment schools. However, the state government funding for state schools includes the very high cost of provision of special education services and the high cost in Queensland's case of providing education in more than 300 schools with fewer than 100 students, predominantly in rural and regional Queensland. The Commonwealth's analysis also excludes the fee revenue of non-government schools. Comparing like with like, non-government schools have considerably more revenue per student than their state counterparts. As a result—and whichever figures are used—this bill will have a significant impact on the relativity of funding between state and non-government schools.

The disturbing effect of these policies is that the gap between what is spent on the education for each student in non-government schools and government schools is growing. I want to make it clear that the Queensland government supports an increase in funding for

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 27

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

non-government schools to meet the real cost of schooling to achieve national goals.

However, in the national interest, the same should be done for state schools. The approach taken in this bill will seriously affect the future life chances of students from families who choose education through state schools. In Queensland we want to give all students the chance to succeed, irrespective of where they go to school. In addition, and not specifically mentioned in the Queensland submission, the bill makes provision for the Commonwealth to continue the enrolment benchmark adjustment. The enrolment benchmark adjustment is an iniquitous policy that divides the education community and disadvantages state schools. Why should Queensland continue to be penalised under the enrolment benchmark adjustments when enrolments in Queensland state schools increased by 15,512 between 1996 and 1999 and the increase in non-government school enrolments was 14,752 over the same period?

The third issue Queensland wishes to raise is that Commonwealth funding is currently based on schools being placed in one of 12 funding categories. These funding categories represent an assessment of a school's level of need according to the ERI—or the Education Research Index. From 2001, the ERI will be replaced by the SES—an index based on a school's assessed socioeconomic status. This index is based on where students live. We are concerned that the SES approach may not ensure that schools with the greatest need receive the greatest support. Catholic systemic schools have been assessed at the former category 12 ERI level and have since been given agreement from the Commonwealth that they will not be subject to the SES assessment. This agreement for schools in the Catholic system—which comprises approximately 65 per cent of non-government schools—to be given immunity from the SES assessment confirms Queensland's concerns.

The fourth issue arising from this bill is that it could allow the Commonwealth minister to provide funding to non-government schools when they may not have been approved to receive funding under the Queensland arrangements. The bill should be amended to make it clear that, to be included in the list of non-government schools, a school must be recognised by the state minister as being eligible to receive state recurrent funding. The fifth issue concerns the proposed amalgamation of the literacy and numeracy program grants to schools and the special education school support fixed and per capita grants into a new program, 'strategic assistance for improving student outcomes'. We see this as a reduction in the importance of the population of students with disabilities. Broadbanding could lessen the priority of students with disabilities within this program. There is no agreed definition of disability across states and territories, and the needs of students accessing support under these two programs are very diverse.

In conclusion, all of these issues compound the most destructive element of this bill: that it

changes the relationship from one of spirited cooperation between the Commonwealth and states to one of active intrusion by the Commonwealth in this important area of state constitutional responsibility. As I said at the outset, I have with me officers of Education Queensland who are available to answer the committee's questions on the likely impact of the passage of the proposed bill.

Senator ALLISON—I will start with the recommendation that Queensland is making that individual based SES be investigated to ensure the neediest communities receive the greatest support to overcome limitations. In your report you mentioned that, in your view, the likelihood is that the bulk of the increase in funding will go to the wealthiest schools. What sort of data do you have which might assist the committee to understand how that will work?

Mr Briskey—Mr Ian Cosier will provide an answer to that question.

EWRSBE 28 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Cosier—We have extensive data at state schools of SES, and we have had a history over the last year or two of mapping individual state school locations and looking at the issues which have been extensively identified by ACER and the ABS of the limitations of a CD based approach. There has not been a history in Queensland of having SES based data for non-state schools. The analysis we have done looking at some of the likely impacts of this is based on the distribution patterns for state schools and the diversity of individuals within individual CDs, especially in areas which have the extreme ends of the CD spectrum, going very high or very low, where you get significant distortions.

Senator ALLISON—How much deviation from the non-government sector would you expect to see in the data you have got?

Mr Cosier—At the top and the bottom end it is extreme. It has also impacted where people are commuting or are enrolled in boarding schools—when you take the top socioeconomic group out of a farming community. A CCD is based on about 200 households, and in many of the farming communities there can be one wealthy farm, and there can be some very depressed farming communities. There are areas around St George, where you have got precisely these sorts of factors. Many of the people from the top socio-economic groups are commuting to independent schools—and some of the most wealthy independent schools. You have a very broad range in that area.

Senator ALLISON—You have identified the problem and you are calling on an investigation but, in your view, is there any way in which this legislation, which clearly needs to be passed, can be amended to fix the problem you have identified?

Mr Cosier—The issue of individual based SES has been identified by MCEETYA and its statistical advisory group, NEPMTF. Certain localities like inner city areas that are going through significant gentrification, over a period—the five-year period between each census—can have a massive change. They have identified that there needs to be an individual based measure. What we are calling for in this recommendation is an acceleration of a process that has already been picked up by MCEETYA.

Senator ALLISON—So if the effect of this legislation in terms of changing the modelling were to be delayed for another 12 months would that be sufficient time for us to have that sort of data?

Mr Cosier—I am not specifically sure of the timing of MCEETYA on this process, of how long it would actually take. I just do not know on that question.

Senator ALLISON—Thank you. Could I ask you to expand on your final recommendation about students with disabilities? You say the Commonwealth should quantify the expected increases in the cohort from the changes in the definition. Is that your main concern, that there will likely be a larger number—and, if so, what does this mean in Queensland?—or is it the averaging out which apparently will take place over primary and secondary school?

Mr Bannikoff—I think the averaging out between primary and secondary schools may have some effect, but we have not sought to quantify that. The main concern is that there is a widely differing definition used between states in terms of students with disabilities and no agreed definition through MCEETYA. MCEETYA is also in the process of considering whether or not a move to an outcomes based approach for students with disabilities is in fact

educationally appropriate. We would certainly prefer to see considerations of broadbanding delayed until some of the education implications of placing some of those students in that circumstance is more closely considered.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 29

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

It is also fair to say that many of the things that this provision seeks to introduce in terms of greater synergy between funding for literacy and numeracy and funding for students with disabilities in fact already occurs in states. Certainly in Queensland we do not have a particular problem under the current arrangements in targeting assistance to those students. What is of greatest concern to us is that the student population of students with disabilities is growing much faster than enrolments generally. In holding funding at the level that it does for the next four years this provision takes no account of either the new sorts of students that could be considered under this program or the fairly dramatic increase in enrolments of students with disabilities. So our concern is not with the principle of broadbanding but more with the way in which funding is held and the concern that certainly some students with disabilities need to be considered in a different way to the way that is envisaged under the notion of strategic assistance for outcomes.

Senator ALLISON—You have complained in your submission about the failure of the government to consult with you or through MCEETYA on the process to be applied to benchmarks and performance targets. When was the first indication you had of this provision within the bill?

Mr Bannikoff—The first indication we had of the existence of the bill was some time after it was published on the Net. I could not be sure of the exact date, but we—as previous people I have heard have indicated—accessed it through the Net. As for the consultations that were held by DETYA, we were alerted that they were in progress by being advised by Victoria that they had in fact already met with DETYA officials. We then had a meeting approximately two weeks ago. We think it was on 11 August. It was not so much consultations as an explanation of the provisions of the bill. It was at that point that we understood and had explained to us the ramifications of this section in terms of broadbanding and some of the other provisions in terms of targeting special assistance programs.

There has been a little bit of difficulty on our part in preparing a view on those things, but I would have to say that the submission probably fairly accurately reflects our point of view. Our concern was that we were advised verbally by DETYA officials at that meeting that, whereas consultations were guaranteed through their briefing material with non-state systems, and we would be included in terms of administrative consultations over administrative guidelines, there really was not any sort of iterative process over the substantive provisions of the bill that were being considered. So clearly it was not a consultation meeting. It was a meeting to provide us with information on the intent of various aspects of the bill.

Senator ALLISON—Would it be your assessment that this has been a bit of a last minute measure, something to tack onto a bill which is essentially about non-government funding?

Mr Bannikoff—There have been moves towards broadbanding for some time. As I said, we are not necessarily opposed to broadbanding in principle.

Senator ALLISON—I am sorry; I mean specifically the requirement that benchmarks and performance standards would determine funding.

Mr Bannikoff—It is not so much that these have been tacked on at the last minute. I could not make any guess at whether or not that had happened. What I can say is that for us they represent a radical departure from the way in which business has been handled within the education community in Australia. It is a significant departure. MCEETYA has worked on a basis of national collaboration and agreement. That is represented in the national goals. Queensland, like other parties at MCEETYA, is firmly committed to the national goals.

EWRSBE 30 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Queensland is also committed to the process that has been developed through MCEETYA on the development of performance measures, but it should be made clear that that is precisely what they are—performance measures. There has been no discussion, certainly no agreement, at MCEETYA of targets. To suggest that some of the arrangements that have been agreed at

MCEETYA under the rubric of performance measures can suddenly transform themselves into targets and be included in regulation is news to people in the MCEETYA process.

Senator ALLISON—Queensland has a much more dispersed population than, say, Victoria. Would you expect Queensland to be disadvantaged by virtue of this arrangement for benchmarks and performance targets in relation to other states in that retention levels in the most remote—particularly Aboriginal—schools are still very much below benchmarks set elsewhere?

Mr Bannikoff—This is an interesting question. If I can give an example, the only performance measure—despite the agreements at MCEETYA—which has reached the point of being published are the year 3 literacy test results. After lengthy discussion at MCEETYA it was agreed that they would be published with supporting data which made them genuinely comparable between states. What that meant in Queensland's case was that the 80 something per cent of students in Queensland who had reached the performance benchmark had been in school on average 11 months less than kids in other states and were about 10 months younger than kids in other states. This highlights the difficulty of choosing a benchmark and then trying to turn it into a target, or choosing a benchmark and then using it in an inappropriate way.

So whereas it is true that Queensland has large rural and remote areas, and there are significant factors of disadvantage in terms of location, indigenous students and socioeconomics, I would not think that there would be anything particularly that separated us out from other states. The factors are different in Queensland. That highlights what performance benchmarks ought to be used for: they give you an indication of how you are going and they then allow more detailed analysis.

So subsequent to the year 3 literacy tests being published, Queensland has embarked on a literacy review which highlights quite clearly that there is no crisis in Queensland in relation to literacy, but there are actions that we ought to be taking now to improve and to look to the future of kids. So we have a quite different philosophy to the use of performance benchmarks and feel that the establishment of targets through funding mechanisms is a quite inappropriate way to go, for educational reasons rather than any other.

Senator ALLISON—Thank you.

Senator CARR—I might begin by asking you about this level of consultation. You say you spoke to the Commonwealth department around 11 August.

Mr Bannikoff—About that time.

Senator CARR—The South Australians advised us that they were contacted on 3 August; I presume that was the only time they were contacted. This bill has, of course, been out since the beginning of July. Did you have any consultation with the department about the ERI review in 1997, if we take it back a bit?

Mr Bannikoff—That is before my time. I could certainly get the answer to that.

Senator CARR—Okay. And the SES simulation study in 1998?

Mr Bannikoff—Again, that is well before my time.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 31

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CARR—All right. In regard to the drafting of this bill, what consultation was there with you?

Mr Bannikoff—None that I am aware of.

Senator CARR—Given that there are substantive changes in the powers of the Commonwealth minister from what we have seen previously, would you regard that as unusual?

Mr Bannikoff—I do regard it as unusual, but I do regard it as substantially out of kilter with the approach that has been built up through MCEETYA, which has been described in the introductory remarks and which I have commented on. I think also if you look back over the history of the way the Commonwealth has become involved in funding of schools, it has been a measured process and a process which, because of a range of sensitivities, has had to be that way and had to be based on consultation and those sorts of considerations. This is a very dramatic change to those arrangements, and you would have expected much more public debate and much more consultation.

Senator CARR—Mr Bannikoff, this is a \$22 billion bill.

CHAIR—\$18 billion, actually.

Senator CARR—\$22 billion—read the department’s submission. It is in black and white in the department’s submission. Senator, I trust that you have actually read the submission.

CHAIR—I have, and I am glad you are crediting us with another \$4 billion. Thank you.

Senator CARR—It is a \$22 billion bill, Mr Bannikoff. Do you believe that, given the change in Commonwealth allocations to government and non-government schools contained in this bill—as I read it, 43 per cent of Commonwealth moneys went to non-government schools in 1996 and it is down to 35 per cent by 2004—do you believe that there ought to be proper consultation with the states about the construction of this bill?

Mr Bannikoff—Yes, I do. The concern to us, apart from the funding, which you have commented on, and apart from the use of performance measures for quite inappropriate purposes and for purposes which have not been discussed in the past, the ability through administrative action to place relatively onerous reporting requirements on states but also to intrude into matters that up until now have been regarded as state responsibilities, is at the heart of what we regard as a radical change. The examples that were provided by Commonwealth officials in their briefing material to us go to the deployment of staff to particular schools. This is an enormously sensitive matter and a matter which, within a state, is usually attended with consultative processes that make sure that voices are heard, and so on.

Another administrative action cited as an example is the ability to require a state to undertake an independent review of its practices. I used the example of literacy. There are significant differences, in the educational community, in the public, and at the political level, about what is appropriate in these areas. It is not something that can be sorted out by a directive from a Commonwealth minister to a state minister.

Another one of the administrative actions which Commonwealth officials cited as an example was the publication of disaggregated data to identify schools with problems. It is important that we know schools have problems. It is also important that schools communicate with parents about how their kids are going and the performance of the school, but that is the level at which it should be. Creating the administrative capability of one minister to direct EWRSBE 32 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
another to publish what is, in essence, league tables is not an educationally sound move for all the reasons that people have commented on.

Senator CARR—Thank you. The question of the powers of the minister is a fundamental one. The New South Wales government, like yourselves and the Victorian government, have raised a series of concerns about that. At table A of the New South Wales government submission, there is a list of proposed powers of the Commonwealth minister. Have you had a look at that?

Mr Bannikoff—I have not got that document.

Senator CARR—Maybe you could take this on notice and look at the submissions from the other states and see whether you can comment on their concerns about the powers of the minister, whether they tally with yours, whether they take your concerns further or whether you believe there is further work to be done in that area. In particular, I ask you to also look at the question of the proposed gazetting of schools and the retrospective determinations that the minister is now taking power upon himself to do under clause 51 of this bill. Have you had a look at that particular detail?

Mr Bannikoff—I think we will take both of those on notice and provide you with a considered response.

Senator CARR—I am concerned, because in your submission you draw attention to what you believe to be the discrepancy between the state planning arrangements in terms of new schools, registered schools or approved schools and the capacity of the Commonwealth to fund schools. You raise the prospect in your submission that a Commonwealth minister could choose to fund a school that is not in fact approved—that is, one of the weird and wonderful group that come our way from time to time that will not necessarily meet the normal provisions of what we would regard as an acceptable educational experience.

CHAIR—Further to that, in your state surely a school that you approve has to meet the curriculum requirements of the state?

Mr Bannikoff—That is not quite correct. They have to go through a process which shows they are capable of doing that. The curriculum requirements of the state are set through statutory authorities. The statutory authorities through legislation mandate curriculum for state schools but do not do so for non-state schools. I would point out that the compliance by non-state schools with those curriculum requirements is really quite high, because in both the P-10 area and the senior school area the statutory authorities essentially reflect the education authorities. So the state and non-state schools work very constructively together, which is a cause of concern for us with this bill.

CHAIR—You have a supervision process that monitors that with the private schools?

Mr Bannikoff—We have just completed a review of the way in which that takes place. The outcomes of the review, which are proceeding to parliament, are to change what is a three-stage process to a two-stage process so that schools are accredited in the sense that they are capable of operating as schools in the fuller sense of the word. Then in a separate but related process a decision is made about whether they are eligible for state funding. In particular answer to your question, accreditation is not open-ended and it has to be dealt with on a regular basis.

The concern for us in the current proposal is that, whether it is our current system—which we are seeking to change—or the new system, the bill is not specific that it is recognition for state funding which acts as a trigger for Commonwealth funding. We believe that should be
Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 33

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
the case. I would point out that the review that I referred to, known as the Webb review and which was conducted by the Vice-Chancellor of Griffith University, was done as part of or as a substitute for the review of all legislation which is required under the National Competition Policy. So the recommendations that have been taken forward from the Webb review satisfy that particular concern.

CHAIR—Thank you.

Senator CARR—I think, witnesses, that you have basically addressed the question: as far as you are concerned, the bill is not precise and is not clear as to what is the stage of approval and therefore, in your judgment, it is possible for non-approved schools to receive funding.

Mr Bannikoff—It is possible, under our reading of the bill, that the Commonwealth could provide funds directly to non-state schools that are not recognised for that purpose in Queensland.

Senator CARR—Page 6 of DETYA's submission says:

The Bill appropriates some \$22 billion for schools for the 2001-2004 quadrennium.

It seems to me that your statements about the forward estimates, which are detailed on page 3 of your submission, suggest that the figures that the government has announced in its forward estimates are understated. Would that be a fair reading of your conclusion?

Mr Cosier—Yes.

Senator CARR—In what ways are the publicly declared figures for moneys going to nongovernment schools understated?

Mr Cosier—There is the limited detail which is provided in the bill. This is difficult because it is not a very transparent process but, given what transparency there is, there is a number of issues. The two figures for benchmarking, which are the AGSRC ones and which are reported in the bill as being at 1999 prices, are in fact exactly the same figures as the 1997-98 figures agreed by ministers and included in the *National Report on Schooling in Australia*, so in fact there is an 18-month escalation period in that. Additionally, given the way the Commonwealth funds the states within a given financial year, the escalation flows in the second half of that financial year, so effectively there is a six-month slippage in escalation. So the two of those as cumulative impacts mean that the dollars for the current year are using effectively two years of previous data without escalation.

Senator CARR—Are those the only areas in which you believe there has been an understatement of the expenditure expected under this bill?

Mr Cosier—It is very difficult to say, as I said, because of the lack of transparency. If you

look at the data that was provided by the Commonwealth as the package with the 1999 Commonwealth budget and the simulation in terms of the move from ERI to SES, there was a very, very limited simulation that occurred at that time and that data was provided as part of the budget package. That simulation did not control for primary and secondary differences and did not control for state differences.

Senator CARR—I see.

Mr Cosier—There has been more recent work to start looking at that.

Senator CARR—I take it that you have looked at the Commonwealth's own submission to this inquiry.

Mr Cosier—We have not had access to that at this stage.

EWRSBE 34 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CARR—These are all public documents. All you have to do is seek them out from the committee secretary. I presume the secretary would be only too happy to provide you with the submission. What I would like to know—if you would not mind looking at the Commonwealth's stated figures—is where they get the \$22 billion claim. Their assertion is that they are spending \$22 billion, which appears to me to be in excess of the budgetary figures that were given to the parliament prior to this point. In terms of the distribution of funding between the sectors they also, it seems, support the claim that there has been a movement from 43 per cent when this government came into power in 1996 down to 35 per cent of Commonwealth sourced revenue to government systems. If those figures are confirmed, I would appreciate your advice? Do you have within the Queensland parliamentary system a capacity to examine the Commonwealth funding mechanisms to actually ensure that there is accountability? If there is supposed to be accountability from the states, ought there not be a reciprocal arrangement with regard to the state parliaments having a look at what is happening with the Commonwealth budget? If so, do you have mechanisms currently available to do so?

Mr Bannikoff—I think we can do some work as you request. We have not at this stage been able to reconcile why the figures continue to increase. We might have suspicions and speculation but it would be wrong to produce them here. So we will do the further work that you were asking.

Senator CARR—I appreciate that. The Commonwealth is telling us that there are a number of figures that are not yet available. Information coming to the committee through various sources suggests that, based on the simulation modelling, we have a clear idea of what the anticipated effect of these measures will be. Do you have access to those figures?

Mr Cosier—Not at this stage.

Senator CARR—Have you not approached DETYA to ask them?

Mr Bannikoff—We have not. Our concern about the SES is really as we have expressed it. I think that the situation that we are in at the state level is that the change from the ERI to the SES affects only 22 per cent of the funds that the state itself provides to non-state schools. Over the next two years we are using an ERI and SES mix in relation to that. So the SES affects only about 12 per cent of the funds that the state itself provides to non-state schools. Those arrangements have been worked out in consultation with the non-state school sector. They are in agreement with that approach and we will continue to work with them. So, as yet, we have not really dealt with the sort of detail that I think you are asking.

Senator CARR—I would appreciate it if you could provide the committee with advice on that matter. Time is quite limited for consideration of these matters. If we do not get information from the Commonwealth we may well have to look at that issue. Nonetheless, there is an urgency about this and I would appreciate any assistance you could lend the committee in that regard.

You said in your opening statement that you believed that the increase in funding for the non-government sector is 41 per cent under this bill—I thought 41.7 per cent was the figure that was used in the statement—and that, for the government school system, the figure is much less than that. The minister recently made comments about the Queensland government's contribution towards government schooling and non-government schooling which suggested to the parliament and through its representatives in the Senate that you are

not actually carrying your weight. How do you respond to that allegation?

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 35

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Bannikoff—I believe that the Commonwealth minister's remarks, as reported in the press, were that the increase in Commonwealth funds to state schools was 4.3 per cent and that that was in fact higher than any state. In the budget just brought down in Queensland, in terms of overall expenditure on education, the actual budget-to-estimate projection for the coming financial year is for a growth of 4.4 per cent in all sources of funding. When you look at state sourced funding, the increase is, from memory, \$130.6 million, which is in fact a 4.3 per cent increase. So the increase from state sources for state schools in Queensland is the same as that claimed for Commonwealth expenditure on state schools Australia wide by the Commonwealth minister.

CHAIR—Are you on your last question?

Senator CARR—I am.

CHAIR—Okay.

Senator CARR—Since you have taken up a good deal of our time already, Senator Tierney, I would suggest that you slow down a bit.

CHAIR—How have I taken time? I have asked one question. Ask your last question.

Senator CARR—I notice that there is a shift in enrolments in Queensland of less than one per cent—.96 per cent. The absolute numbers of students in government schools actually increased in Queensland. What impact has the EBA had in terms of Queensland Education? What level of concern has been expressed in terms of the issues of state aid?

Mr Bannikoff—There are two concerns. At its simplest level, state schools in Queensland have 15,500 more students and, as a consequence of the enrolment benchmark adjustment, lose funds. We have more students and less funds. The second point of concern is that, were we to strive for a situation in which there was no enrolment benchmark adjustment, enrolments in the state system would have to grow by three times that in the non-state system just for us to tread water and stay even. Whereas at the moment the adjustments are at the margins, the indications are that in future years—and we have a vision looking forward to 2010 in Queensland—the impact is likely to grow over time.

Of most concern is the focus that something like the EBA forces on the Catholic system schools and the state schools and, for that matter, on some independent schools in terms of creating a focus on enrolment and market share. We are much more concerned with the concept of completion rates as the means to drive educational reform rather than market pressures. So the divisiveness that the EBA creates is particularly problematic.

Senator BRANDIS—Mr Briskey, do you have a copy of your submission in front of you?

Mr Briskey—Yes.

Senator BRANDIS—In the second last sentence on page 2 you say:

The Queensland Government opposes the philosophy of benchmarks and targets linked to sanctions. You do accept, of course, the need for performance criteria and that those performance criteria will include benchmarks and targets? If those performance criteria are consistently violated or fallen short of, how do you suggest they ought to be enforced?

Mr Briskey—As we said in our submission, we have no problem with the benchmarks.

What we do have a problem with is the Commonwealth proposing to limit the funds available to these schools and these children by taking away funds if these targets are not met. If targets are not met, then it is up to the school community and Education Queensland to assist those schools and those communities to reach those targets.

EWRSBE 36 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator BRANDIS—What if the performance criteria continue not to be met?

Mr Briskey—There is no evidence of that, Senator Brandis.

Senator BRANDIS—I asked you: what if the performance criteria continue not to be met?

Mr Briskey—I cannot deal in hypotheticals.

Senator BRANDIS—Do you not accept, admittedly in an extreme case, that it might be appropriate to impose the kind of sanction, which the legislation provides for, if there is consistent failure to meet performance criteria and all attempts to ensure those performance

criteria are satisfied have failed?

Mr Briskey—No, I do not. I believe, as has always been the case, that education has been the responsibility of the states and that, if there are problems within the department in relation to performance criteria, it is up to the state government to fix those to ensure that all students have equal access to education and all students reach certain benchmarks.

Senator BRANDIS—And that all schools provide a quality of education which is conformable with national performance standards. Do you agree?

Mr Briskey—Yes, schools should provide that. But, of course, there is a difference between benchmarks and targets.

Senator BRANDIS—Yes. On page 4 of your submission, just above the word ‘recommendation’ there in the middle, you say:

The Queensland Government does not want to see the Commonwealth reduce funding for non-state schools.

Do you want to see it increase the funding for non-state schools?

Mr Briskey—Yes. We have no problem with the increase in funding for non-state schools. What we want to see is a fair share of the funding coming to state schools.

Senator BRANDIS—I understand where you are coming from in that regard, but in terms of absolutes are you saying you have no problem with the current level of funding for nonstate schools and, in fact, you would welcome an increase in funding to that sector?

Mr Briskey—The submission says that.

Senator BRANDIS—On page 5 in the second last paragraph you say:

Consultation on the proposals for reform in Queensland indicated a clear expectation in many quarters that only those schools eligible for State funding should be eligible to receive financial assistance from the Commonwealth.

Which were those quarters?

Mr Briskey—I would have to defer that question.

Mr Bannikoff—The consultation process, as I indicated, was quite wide, and in this area we work closely with the Queensland Catholic Education Commission and the Association of Independent Schools of Queensland, which are the two authorities presiding over those two sectors. Both of those bodies—which I assume speak on behalf of their constituents—have supported that approach.

Senator BRANDIS—Are those two the quarters you are referring to there?

Mr Bannikoff—Since they constitute 100 per cent of the schools in the non-state sector it is a fairly comprehensive endorsement of an approach.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 37

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator BRANDIS—On page 6, two sentences above where the word ‘recommendation’ appears for the second time, you say:

Area-based measures of SES may distort funding in a number of school types, especially schools with boarding facilities that attract wealthy farmers’ children living in a collector district of relative poverty. I just have a concern with the choice of language there. There are not many wealthy farmers in Queensland, Mr Briskey, are there?

Mr Briskey—There are.

Senator BRANDIS—Is it your perception—and is this the approach which the department you represent here has taken—that farmers and people from rural communities who send their children to boarding schools are wealthy people?

Mr Briskey—Absolutely not.

Senator BRANDIS—I just wonder why your have chosen to use this slightly class based language to stereotype boarding school children as the children of wealthy farmers.

Mr Briskey—No, that is not the suggestion there.

Senator BRANDIS—What is the suggestion?

Mr Briskey—It is pointing out the fact that the use of SES may distort funding, because there are children from wealthier families attending boarding schools. As you would be well aware, not all students who attend boarding schools are from wealthy families.

Senator BRANDIS—Surely you appreciate that the vast majority come from poor families who make enormous financial sacrifices.

Senator CARR—Perhaps I could assist you. I understand the formula relates to a census district of 200; it does not relate to the question of boarding schools or not.

Mr Bannikoff—I think the point, Senator Carr, is that this is illustrated but there are plenty of other illustrations that could have been used. If, for example, two non-state schools service a collector district but one does in fact pitch towards the higher socioeconomic status of the people living in that area and the other one—perhaps a Catholic parish school—draws from a lower socioeconomic status group they would both end up with the same measure with a quite different group of people. We are simply trying to illustrate that a much better method, a much clearer and more direct method, of assessing socioeconomic status is to collect data on an individual basis, and until this sort of approach is developed we think you ought to go slow.

Senator CARR—I have an example in regard to Preston, which is near where I live. It is a relatively poor area. Right in the middle of Preston is the Grollo family estate—

CHAIR—This is very interesting, Senator, but I will give the call to Senator Brandis, who has the floor.

Senator CARR—I just want to be clear as to whether or not it is the same sort of proposition that you are putting.

CHAIR—Let us move on. Senator Brandis?

Senator BRANDIS—I want to go back to the issue which Mr Briskey and I discussed; that is, my assertion, which he disputed, that there are not very many wealthy farmers in Queensland.

Mr Briskey—I did not dispute that.

Senator BRANDIS—Yes, you did. You said, ‘Yes, there are.’

EWRSBE 38 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Briskey—There are wealthy farmers.

Senator BRANDIS—I said there are not many wealthy farmers in Queensland and you said, ‘Yes, there are.’ Mr Briskey, I hope that your department does not have the perception that families, particularly the ones on the land, who send their children to boarding schools and make tremendous personal sacrifices to do so are wealthy farmers. You do not have that perception, do you?

Mr Briskey—No, the issue there was simply meant as an example of what might happen with SES collection. That was all that it was meant as.

Senator BRANDIS—It is perhaps a poor choice of language, Mr Briskey.

Mr Briskey—It was a suggestion that these figures could be distorted by the fact that some families sending their children to boarding schools may well have been wealthier than others.

Senator BRANDIS—I just have a concern when I see this sort of class based rhetoric creep into a submission on behalf of the Queensland government.

Senator CARR—Perhaps you should take a class in remedial reading as well.

Senator BRANDIS—It is clear to me.

CHAIR—Mr Cosier, were you going to say something?

Mr Cosier—Given the issue I raised earlier with the question from Senator Allison, St George is an example of where you have an area—and we are not talking about large numbers—of a high socioeconomic grouping, albeit a small number of people, in emerging cotton areas and you have a large number of people on very, very small farms. That was an example, so it was not talking about a large number; it is simply saying within the CD approach of 200 houses there is a range of that, and I could have given a numerous number of examples—

Senator BRANDIS—I understand that. That is why I prefaced my question by saying that my concern was more with the choice of language or the choice of the illustration than the proposition for which the sentence contends. You understand, Mr Cosier, that many of the people in Queensland with the lowest disposable incomes are families on small holdings on the land who make enormous personal sacrifices to give their children education at boarding schools?

Mr Cosier—That is precisely why we are calling for an individually based SES measure, so that those who have the most need in fact get the most support.

Senator BRANDIS—And the people who send their children to boarding schools and live

on the land are generally not wealthy farmers. You understand that, don't you?

Mr Cosier—I understand the example that we have provided and I think it is very, very dangerous to generalise on these sorts of issues. That is why we need to look at the individually based approach, which is precisely where MCEETYA is heading.

Senator BRANDIS—Do you regret the choice of that slightly rhetorical language, Mr Cosier?

Mr Bannikoff—I do not think it was up to Mr Cosier to choose it or not, but I think it stands as an illustration of the point we were making, which I repeat: it is that an individual approach to the collection of data on socioeconomic status is much preferable, much fairer and more equitable than an approach based on collector districts.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 39

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator BRANDIS—Mr Briskey, I do not know if you were in the committee room when we heard the evidence of Dr Morgan from the Council of State School Organisations. Does your government regard choice as a good in itself when it comes to the funding of education?

Mr Briskey—I will make a brief statement. The government regards choice of schooling as a fundamental right. I do not know if Mr Bannikoff wants to add anything to that.

Senator BRANDIS—No, I am asking you, Mr Briskey, and you have given me your answer. If it is a fundamental right, then, of all the things that education funding policy does, ensuring that that fundamental right may be availed of must be among them, would you agree?

Mr Briskey—To ensure the fundamental right of choice is important, but to ensure that all children, no matter whether they go to a non-state school or a state school get equal access to education, is a far more important issue.

Senator BRANDIS—Thank you.

ACTING CHAIR (Senator Carr)—That concludes the questions. Thank you very much for your attendance.

EWRSBE 40 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

[12.37 p.m.]

DUNNE, Mr Leo Matthew, President, Australian Parents Council

LONERGAN, Mrs Josephine, Executive Director, Australian Parents Council

CHAIR—I welcome representatives of the Australian Parents Council. The committee has before it submission No. 15. Are there any changes you wish to make to the submission?

Mr Dunne—There is an additional lead-in statement I would like to read into the record.

CHAIR—Perhaps you could make that part of your opening statement.

Mr Dunne—Yes.

CHAIR—The committee prefers all evidence to be given in public, but if at any time you wish to give any evidence, part of evidence or answers to any questions in camera, you may make the request and the committee will consider the request. Such evidence may subsequently be made public by order of the Senate. I now invite you to make a brief opening statement.

Mr Dunne—Thank you. The Australian Parents Council is a national organisation of state-wide school parent organisations representing parents of non-government school children across Australia. At the annual conference of the APC held recently, the APC confirmed its support for the immediate enactment of this legislation to ensure that Commonwealth funds for schooling in the new quadrennium are assured.

As far as the non-government schooling sector is concerned, the bill provides a more transparent, needs-based mechanism for the future of non-government school students. Linkage to a percentage of average government school recurrent costs, the AGSRC, allows it to be seen that the allocation of Commonwealth recurrent funding for non-government school students ranges from 13.7 per cent to 70 per cent of AGSRC. The AGSRC is considerably understated by some \$1,000 per pupil, or about 15 per cent. Were this taken into account, it would make a considerable difference to the perceived levels of AGSRC for each student. However, the new mechanism recognises the continuation of funding increases due to Catholic system schools across Australia as a result of winning their appeal for funding

increases in 1998 and the fact that many non-government schools were underfunded due to previous restrictions on the levels of funding for new non-system schools. The legislation also recognises the right of all parents to choose the school they believe best suits their children's education, but parents are the primary educators of their children and there is the entitlement of all children to share in government funds for schooling. Thank you.

Senator ALLISON—Could you indicate why you think the AGSRC is understated by \$1,000?

Mr Dunne—The review of the AGSRC a couple of years ago by Coopers & Lybrand suggested that there were a number of elements not included in the AGSRC. We believe that, if they were included, that would bridge the gap of approximately \$1,000 at this stage.

Mrs Lonergan—Figures from the School Statistics Taskforce and printed in the *National Report on Schooling in Australia* show that, when the state and territory governments report their public spending on government school students, they exclude pensions, superannuation, departmental expenditure, capital servicing costs, building rental and maintenance, Aboriginal expenditure, the contribution of government school parents and the provision of depreciation and insurance.

Tuesday, 22 August 2000 SENATE—*Legislation EWRSBE 41*

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator ALLISON—What is the average amount spent on students in the nongovernment sector—the sector you represent?

Mr Dunne—I presume you mean the average amount across all students—secondary and primary.

Senator ALLISON—I mean the total inclusive figure spent, including fees, charges and government, state and Commonwealth funding.

Mr Dunne—It is about \$3,750.

Mrs Lonergan—I think Senator Allison is referring to the total amount.

Senator ALLISON—Yes.

Mrs Lonergan—It is about the same as is spent on government school children if you include all of the figures that are not in at the moment.

Senator ALLISON—Have you done that work? Is it possible to give the committee—

Mrs Lonergan—The total figures are actually published in the *National Report on Schooling in Australia*.

Senator ALLISON—So the average matches the government sector?

Mrs Lonergan—It is not much different.

Senator ALLISON—But you would expect the variations to be significantly different, would you not?

Mrs Lonergan—I suppose it depends what you include.

Senator ALLISON—For the schools that charge fees of \$11,000 it might be considerably higher than for the poorest schools.

Mrs Lonergan—I think that would be so. They also get less public funding.

Senator ALLISON—Are those schools taken into account in developing the average?

Mrs Lonergan—Yes, they are.

Mr Dunne—The amount taken into consideration is the amount of public funds.

Senator ALLISON—That would suggest that there is a group that are funded well below the average government level. Is that correct?

Mr Dunne—That is true.

Senator ALLISON—Do you expect this measure to adjust that anomaly? We have had a lot of submissions to this inquiry, including from the Queensland and Victoria state governments, saying that there is quite a degree of doubt about whether this mechanism, the SES modelling, will actually make a difference to those schools and that much of it will go to the wealthiest schools in the system. Can I invite you to comment on that?

Mr Dunne—We do not have too much evidence to support those contentions at this stage.

Senator ALLISON—Do we have evidence to the contrary?

Mr Dunne—No, I am not suggesting we have, but I have not seen too much evidence to suggest that your proposition would be the case.

CHAIR—Related to that, if you take it that the Catholic system is outside that SES

mechanism, then you take out the well-off private schools and then you take out a whole range of new schools, surely the group that are advantaged by the mechanism are the newer EWRSBE 42 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
struggling private schools, where the income levels of parents and the sacrifices they are making to send their children to those schools have not always been recognised.

Mr Dunne—I think that would be true, but that is different from suggesting that schools that are reasonably well off at this stage will benefit significantly by the change in legislation. I do not think we know that at this stage.

Senator ALLISON—Why has it not been possible to know that? There was a modelling process. This whole move has been under way since 1997. Why was it not possible to predict with more certainty than we seem to be able to now?

Mr Dunne—What schools took part in the modelling process as a means of determining the outcome? I am aware that the Catholic schools did, but I am not aware that 100 per cent of non-government schools participated. I believe that that information was not made public at the time and I am not sure that it has now.

Senator CARR—Forty-six category 1 schools did participate, did they not?

Mr Dunne—I know a number did.

Senator CARR—Forty-six.

Mr Dunne—Okay.

Senator CARR—Is it not the case that category 1 schools will receive between \$40 million and \$50 million out of this project?

Mr Dunne—If that is the outcome, I think that is really what SES has determined.

CHAIR—Perhaps the parents are not as rich as we previously thought. That might be the reason.

Mrs Lonergan—We have some difficulty with the accountability of governments in relation to all sorts of information—not only the Commonwealth government but the state governments. It is very difficult to get precise information out of any government, as the Senate committee found in 1997 in *Not a level playground*. I think it might have been Senator Carr who said:

It is extremely difficult to ascertain where the truth lies in matters of State and Territory government expenditure on services ...

I would submit that we are in the same position today as we were in 1997 in relation to the state and Commonwealth governments.

Senator ALLISON—What work ought to have been done prior to the parliament considering this legislation in terms of understanding the effect, in your view?

Mr Dunne—I am not certain that further consultation may have improved the outcome. My experience is that governments tend not to seek more consultation. It is a very difficult and time consuming process, and if there are shortcuts, I find that governments find them.

Senator ALLISON—On that question of consultation, when did you first see the draft of the bill?

Mrs Lonergan—I first downloaded it from the web site some days after its introduction into parliament on 29 June.

Senator ALLISON—When you saw the first draft, were there any deviations from what you expected, based on your consultation with the department up to that point?

Mrs Lonergan—No, not that I could detect.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 43

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator ALLISON—So you had seen some sort of draft of that document earlier?

Mrs Lonergan—No, just that statements that had been made. We had not seen any draft of the legislation.

Senator ALLISON—Okay. Can you understand that? It would seem to some of us that the legislation ought to have appeared a lot earlier than it did, given the time frame the parliament has to consider it in. Are you of that view as well?

Mrs Lonergan—Of course the SES mechanism had been under open consultation for 18 months before the bill came out—

Senator ALLISON—Precisely.

Mrs Lonergan—I am not too sure what sort of consultation ought to have taken place on the draft.

Senator ALLISON—Amongst the parents you represent, are they aware of work being done by the schools to make assessments of where they will stand in relation to this funding? Are schools currently doing some work to try to determine what their funding level will be?

Mrs Lonergan—I think they are hoping it will all appear shortly.

Mr Dunne—I think there would be schools interested enough to proceed down that track, but I think because it was brought down last year as a kind of statement on funding, it would be the next quadrennium, and most schools—certainly that we contact—are really just expecting that the legislation will become the act—

Senator ALLISON—And they are also expecting that the legislation will improve their lot—across the board?

Mrs Lonergan—No, I do not think so.

Senator ALLISON—Have you done surveys of your members, or do you have a feeling for which schools reckon they are going to do well out of this and which do not?

Mr Dunne—I think all schools would feel that they are not going to be disadvantaged. All non-government schools will feel they are not going to be disadvantaged by the legislation. That may not mean they agree with everything that is in the legislation, but there are some saving issues, like the guarantee that will ensure that their funding will not be any worse off. So I think, with those assurances, they are fairly confident.

Mrs Lonergan—The contention is that this is fairer and more transparent than the Education Resource Index. It is building on the changes that were made to that over the years.

Senator ALLISON—It is a bit hard to judge whether it is fair or not until we see what the outcome is. Do you represent parents with children in Jewish schools?

Mr Dunne—We have contact with the Jewish schools.

Senator ALLISON—But your parents are not in that group?

Mrs Lonergan—We are representative of state-wide organisations. There are some Jewish schools affiliated with organisations at the state level.

Senator ALLISON—Have they made representation at the state level or to your organisation about what they think is going to happen to many of their schools in terms of the fairness measure and the likelihood of—

Mr Dunne—Not to my knowledge.

EWRSBE 44 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator ALLISON—They have certainly made representations to me. I am not sure whether a submission has been made to the committee, but it might be worth your while receiving some—

Mrs Lonergan—One of their difficulties was that the SES measure did not take into account the number of children in a family. It does not, of course.

Senator ALLISON—Nor does it take into account their necessity to be close to synagogues and the like, which puts their distribution a bit at odds with the rest of the general population.

Mrs Lonergan—It could well do. I think there are bound to be disadvantages for some in any scheme which expects to be of general application.

Senator ALLISON—Can you think of any other groups that might be similarly disaffected?

Mr Dunne—We have not had any approaches by groups expressing serious concerns with the legislation.

Senator ALLISON—Your submission draws attention to the number of parents on high incomes who send their children to government schools. Could I invite you to just indicate why you think this is an important factor?

Mr Dunne—I think the ABS data show that significant numbers of parents who are reasonably well off do send their children to government schools. It does not always come out in the media that that is the case. All the rich schools seem to be non-government schools, or all the well-resourced schools seem to be non-government schools. That is clearly not

necessarily true. If we are serious about equity, we might have to face the hard question about equity across all schools.

Senator ALLISON—What do you mean by that, Mr Dunne?

Mr Dunne—If there is a definition of equity—I am not sure whether there is; there might be several—and if we are talking about fairness, then clearly there are some government schools that are in desperate need of resources both for capital and for recurrent. There are others where clearly the population supporting the school could make a greater contribution themselves, as is the case in the non-government sector. If that is going to make a difference to the education of the children, then so be it.

Mrs Lonergan—I think our submission also says that we are:

... concerned to ensure that both the government and non-government sectors of schooling remain strong, providing excellent education for all Australian children.

We go on to say that we believe that ‘school education is seriously underfunded’ and that we recommend:

... a Senate Committee further investigate the commitment of the States/Territories to the funding of school education.

Senator ALLISON—I have one final question. A number of submissions have recommended that the parliament use this opportunity to get rid of the enrolment benchmark adjustment. Would that have your support?

Mr Dunne—We think the EBA is probably not the best way. We would believe that, if there is an adjustment in funding between the Commonwealth and the states, and if they need to resolve that difference, they should do it without including the schooling sectors. How they do it is a matter for them. I am sure they do not need our advice on how to do it. But because Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 45 EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION the way it has been done does include the schooling sectors in an issue that they could well do without, we believe—and we have made the case to the minister—that there is a better way of resolving the matter.

Senator ALLISON—Thank you.

CHAIR—Mrs Lonergan, in relation to your comments about the old Education Resources Index and the change to the SES system, you indicated that you felt this was a positive move. Could you expand on why you think that.

Mrs Lonergan—This SES mechanism has got rid of some of the add-ons that had crept in over the years to the Education Resources Index. It has also put in non-system schools, but that was more getting rid of the new schools policy. It has put new schools in a position where they can enter into the funding scheme at a better funding level.

CHAIR—You might want to comment on the this proposition: a lot of the newer schools do not exactly have parents that are very well off; they make enormous sacrifices. Would you see the SES being a much better mechanism to assist those schools in obtaining viability as educational institutions?

Mrs Lonergan—I think it does measure to some extent the income of the school community from which the students are drawn, yes.

CHAIR—Thank you.

Senator CROSSIN—You say in your submission, and you just reiterated this a moment ago, that you believe there needs to be excellent education for all children. You go on: The Bill recognises that every child is entitled to a base level of funding.

You also say that it seeks to provide a fairer way of providing all income levels with the capacity to choose the most appropriate school. Setting aside the matter of choice for the moment, I am assuming then that you are purporting the fact that every child is entitled to the same level of education. Is that correct?

Mrs Lonergan—Every child is entitled to an excellent education, yes.

Senator CROSSIN—Then how can that be the case if in this bill we have 65 per cent of the funding going to non-government schools and 35 per cent of the funding going to government schools?

Mrs Lonergan—But that leaves out of the account the responsibility of state and territory governments to fund government schooling and their traditional method of doing that.

CHAIR—With money provided by the federal government.

Mrs Lonergan—Yes, that is right. But 65 per cent, according to my figures, of funds for government schools come from the states. The Commonwealth government has traditionally funded the non-government sector to a greater extent since 1972—that is, since the Schools Commission findings in those days of the necessity to bring the level of non-government schools up to a standard.

Senator CROSSIN—So does your association believe the Commonwealth government is there to fund non-government schools well in advance of government schools?

Mrs Lonergan—No, not at all. We really ought to be looking at a better way of doing this and not having this continual argument between the states and the Commonwealth about what they do and do not do. There has to be a better way to make sure that school resourcing is done in an apolitical and just manner across the whole of Australia.

EWRSBE 46 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CROSSIN—Then why would you not say that the ability to actually provide funding would be a good way to start? We heard evidence this morning that the top 65 schools in this country will be getting \$40 million to \$50 million out of this but that 1,750 schools will share \$100 million in the non-government sector. So there are even disparities in the nongovernment sector. How can that be fair?

Mrs Lonergan—But that is only Commonwealth funding.

Senator CROSSIN—That is what we are actually inquiring into—this bill in relation to Commonwealth funding.

Mrs Lonergan—Yes, I know. But you cannot inquire into how funding is distributed if you are taking into account only part of that funding. You must look at the situation across the board and take into account the fact that state governments also put huge amounts of money into school education—most of it in the government sector.

CHAIR—Which we give them federal grants.

Senator CROSSIN—Mr Chairman, I am sure the witness can answer her own questions.

CHAIR—You are trying to be misleading, Senator. I am trying to correct the record.

Senator CROSSIN—I am sure the witness is able to answer the questions before her.

CHAIR—She is very able to.

Mrs Lonergan—Senator Crossin, this is a difficulty that we have from time to time. I should not say from time to time—it is all the time. This is what the press states all the time. The concentration is on Commonwealth funding without any consideration at all of the fact that the states provide 65 per cent of the funding.

Senator CROSSIN—But, Mrs Lonergan, my question just then did not go to a question of a conflict of funding between the sectors and between the Commonwealth and the states; my question went to a disparity in this bill itself between non-government sectors, where we have got the bottom 65 per cent of schools in the non-government sector getting \$100 million but the top 17 per cent of schools in the non-government sector getting \$40 million to \$50 million. Where is the fairness in that distribution of funding?

Mrs Lonergan—You say the 1,750 schools in the bottom part of the non-government sector get \$100 million. Where do they come from?

Senator CROSSIN—The bottom 65 per cent of schools in the non-government sector, which is about 1,750 schools—basically the Catholic system—will be getting \$100 million.

Mrs Lonergan—Are you talking about an increase?

Senator CROSSIN—That is right. But we have got 65 schools getting \$40 million to \$50 million, all within the non-government sector.

Mrs Lonergan—Maybe that shows their parents were being discriminated against badly for the last 20 years.

Senator CARR—So this is category 1 schools you think have parents that are being discriminated against.

Mrs Lonergan—It is not only category 1 schools; we are categories 1 to 9 schools.

Senator CARR—Yes, I appreciate that. The 65 schools that Senator Crossin was referring to are category 1 only.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 47

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mrs Lonergan—They are getting an increase of \$50 million? I am not familiar with that figure.

Senator CARR—It is between \$40 million and \$50 million.

CHAIR—Mrs Lonergan, that would be based on the SES figure, which is based on parental income, would it not?

Mrs Lonergan—It is based on the community income to the school, yes.

CHAIR—That is right.

Mrs Lonergan—And, of course, a number of the schools will change their levels of funding because, as I said before, they have been underfunded for years.

CHAIR—Senator Carr thinks that all parents who send children to these schools are rich.

Senator CARR—Is this category 1 schools we are talking about?

CHAIR—Yes, and they are not all rich either. It might amaze you. They are not all rich.

Senator CARR—I just want to be clear—

CHAIR—They make incredible sacrifices.

Senator CARR—Is the submission you are giving to us that category 1 schools ought to be getting extra money because they are in greater need?

Mrs Lonergan—No, that is not we have said in the submission at all.

Senator CARR—I thought that was what you did say.

Mrs Lonergan—No, not at all. If you read the submission you will see that it is looking for equity in funding for all parents who choose non-government schools for their children. Whether that comes about in this legislation remains to be seen, to some extent.

Senator CROSSIN—Mrs Lonergan, if I choose to send my child to a category 11 school—a Catholic school; which will have its status changed under this legislation—as opposed to a category 1 school, where is the fairness in funding if my school is going to have to share up \$100 million with 1,700 others but the category 1 school is going to share \$40 million to \$50 million with only 65 others?

Mrs Lonergan—That is the problem of not getting true justice in the funding for education of all children.

Mr Dunne—We accepted the funding under the previous model, ERI. When the SES was proposed we, along with others who were interested in a change of funding, examined it and hoped that it that would deliver a fairer funding. Having accepted it, we then expected that it would be applied across the community in the same and fair way that it can be. The result has turned up the concerns that you have at the moment.

Senator CROSSIN—Are you saying, Mr Dunne, the result has turned up that it is not being applied in a fair manner?

Mr Dunne—No, I said it has applied in a fair manner but the result is the concern that you have. We do not know the outcomes, but what you are proposing is in your mind an unfair outcome from an SES that was applied equally across the community.

Senator CROSSIN—No, it is not in my mind. We have heard the Catholic Education Commission say this morning that they have had a guarantee of \$100 million between their 1,750 schools. So it is not in our minds. These are facts and figures that have come out as a EWSBE 48 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
result of analysing this bill and discussions people have had with DETYA. So are you putting to us, then, that you believe this is an unfair distribution of money?

Mr Dunne—No, I am not saying that at all. What I said was that we moved to the SES, because the government proposed SES—as every group within the non-government sector did—examined the SES and had a range of comments to make on it. The outcome gradually—as it was accepted as the new model for funding—was then applied across the community. I am not aware of any unfairness of application. I would expect that it would be applied equally across the whole community. The results that are coming from the SES are showing a difference in the money.

CHAIR—But perhaps the disadvantage that we are labouring under with Senator Crossin's question is that we do not have the full information. Could it be that the reason for that difference is that the systemic Catholic systems were basically on the old categories 10 and 11

anyway? Could it be that they were right near the maximum level of funding and that is why the increase is not as big with that category of schools? That would be the basic explanation.

Mrs Lonergan—Yes. They also won that increase from their funding appeal in 1998 when most Catholic system schools went up in funding at that point in time.

CHAIR—So we are not getting the full picture.

Senator CROSSIN—Mrs Lonergan, we have a submission in front of us which shows us there is a school in Queensland that has a budget of \$1 million for only 115 students. Out of this, it is due to get another \$3,000 per student, taking it to well over twice the resourcing level of a government school. Is that fair?

Mrs Lonergan—I think we would need to know a bit more about it than that to decide whether it was fair or not—for example, which school, what sorts of students and so on and so forth. I think if we looked at special schools in the government and non-government sectors we might be somewhat appalled at the levels of funding that were coming to them.

Senator CROSSIN—The \$1 million comes largely as a result of corporate sponsorship. I put it to you that there are minimal government schools that would have \$1 million in corporate sponsorship, yet this school is going to benefit by the tune of \$3,000 per student. Is that fair?

Mrs Lonergan—We have no knowledge of the position.

Mr Dunne—I think I might know the school, but I am not sure and I would not answer the question due to a lack of information.

Senator CROSSIN—They are getting that funding because the private investment in schooling is now being excluded from any assessment as a result of the ERI not being used any more.

CHAIR—So, Senator, you would penalise them for raising extra money, would you?

Senator CARR—It also means that Geelong Grammar does not have to worry about private investment either.

CHAIR—Are there any more questions?

Senator CARR—I have a few more things, but it is not my intention to take long—

CHAIR—We are over time. Can you make this very quick?

Senator CROSSIN—Well, if you stopped interrupting.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 49

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

CHAIR—Okay.

Senator CARR—It is important to establish what the level of consultation has been with your organisation. I think it is only fair and reasonable the government does consult with constituent groups within the sector. Have you been involved in the preparation of this bill?

Mr Dunne—Not in the preparation of the bill.

Senator CARR—Were you involved in the SES simulation project?

Mr Dunne—I was, because I was with a Catholic sector.

Mrs Lonergan—And I was as a consultant on the committees in the meetings called by DETYA.

Senator CARR—So as a consultant you were involved?

Mrs Lonergan—Well, a reference group. There were a number of reference group meetings in relation to the SES simulation project.

Senator CARR—And you are obviously a strong supporter of the scheme. At what point were you aware that it applied to only about 10 per cent of the sector?

Mr Dunne—During those times, we expected that it would be applied across the board.

Senator CARR—You might expect that, but 65 per cent of the system is outside of it—that is, the Catholic Education Commission—and at least 20 per cent of schools have been given a guarantee of funding so there is no disadvantage test so they are outside of the system. Therefore, we have the remainder, which is about 750 schools. Were you aware that those were the schools that the system actually applies to?

Mr Dunne—Not until after that decision was taken.

Mrs Lonergan—We might have to wait for four years to find out what is going to happen after that.

Senator CARR—But you have signed up to it and you have said it is a wonderful system,

it is more transparent, it is easier, it is more accountable and it is more efficient. Were you aware that there are some 65 different levels of funding under the present arrangement? That is, 46 SES categories; 18 ERI, which are the guarantees that have been issued to the Catholic system and to those within the non-government system which have funding guaranteed; a separate rate for primary and secondary; a special rate for special education of 70 per cent of the average cost of government schooling; and a distance education rate of 13.7 per cent. Are you aware that there are 170 different payment rates?

CHAIR—It sounds like a finetuned system to me.

Senator CARR—Were you aware of that, given that you have been involved in the process?

Mrs Lonergan—We knew that there would be a lot of different levels of payments, and we thought, ‘Thank God for computers,’ because 20 years ago none of this would have been possible.

Senator CARR—Thank God for computers. But I am sure we are thanking God for a lot more than computers, given that there is so much money involved—a \$22 billion bill. I wonder whether you are aware, for instance, that some schools are concerned about the effect of the SES model on their operations. For instance, the Adass Israel School in Elsternwick in Victoria have written to us. They point out:

EWRSBE 50 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

So whilst the SES geo-coding indeed indicates that our area is of middle or high-income, this is far from the fact when it comes to most families whose children attend our school. In our case, using neighbourhood information rather than information based on actual home circumstances to calculate an SES score is extremely misleading and does not accurately measure the capacity of parents to pay school fees or support the school community.

To verify this, we surveyed our parent base and calculated the SES score of our parents directly (*not* their neighbours as was done in the government’s calculation of the SES). The results are eye-opening. The income based (*including* social security payments) SES was 92.8 (*without making any adjustment for large family sizes*) and the education based SES was 84.7. This is in stark contrast to the SES Index based on CD data, which was 112.

This is the so-called objective, transparent system that you are saying is an improvement. Are you aware of that particular case?

Mrs Lonergan—No.

Mr Dunne—No.

Mrs Lonergan—I do not think anybody is claiming that this is an instrument that has the precision of a laser beam. I think all of these sorts of systems will be difficult. There will always be blunt instruments. If you wanted to go to the finetuned instrument of testing every parent for their income and their capacity to pay, it would be extremely intrusive. Also, such a scheme should be across the board; it should not apply only to one section of parents.

Senator CARR—The National Catholic Education Commission appeared today and said that a combination of measures is needed to get a fair distribution of funding rather than reliance solely on the SES model, as proposed in this legislation. Do you agree with that?

Mr Dunne—In our earlier submissions—and this is going way back now—we made one submission that was inclusive of both the old and the new. That was a long time ago; it is history now. We are dealing with an SES model. As my colleague has said, we are aware of many issues where there is not an absolutely just outcome, but I think if somebody designs a needs mechanism that can truly deliver funds on an equitable basis across the board then I will be his first admirer.

Mrs Lonergan—We would rather have something than nothing.

CHAIR—Thank you for appearing.

Proceedings suspended from 1.13 p.m. to 2.17 p.m.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 51

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

FITZGERALD, Mr Denis Patrick, Federal President, Australian Education Union

CHAIR—I welcome the President of the Australian Education Union. The committee has before it submission No. 8. Are there any changes you wish to make?

Mr Fitzpatrick—No, there are not.

CHAIR—The committee prefers all evidence to be given in public but, if at any time you wish to give any evidence, part of evidence or answers to any questions in camera, you may make the request. The committee will consider the request, but such evidence may subsequently be made public by order of the Senate. I now invite you to make a brief opening statement, and then we will go to questions.

Mr Fitzpatrick—The Australian Education Union certainly concurs with other people making submissions that we run the risk as a nation of having a renewed, bitter and divisive state aid debate. The prime catalyst could well be the bill that is being discussed here. What we fear, as teachers, professionals and unionists, is that this bill could facilitate a process of creating a more unequal society where children's futures are affected, in particular the 2¼ million youngsters whose parents have chosen the government school system. As a profession and as a union, we embrace choice and pluralism within a school system as a mainstay of a pluralist, inclusive and democratic society. We also embrace accountability—accountability that is mutual between government and the people and the people and the government. We also embrace the concept of government for all of Australia's children.

The evidence before us is quite clearly that we want to focus on the essential distribution of what is happening, not only in the technical detail but also as to the effect of this bill on children and the way Commonwealth funding on a national basis is spread throughout the nation's schools. What we are able to establish is that non-government schools, when all forms of income are taken into account, are already—I will not use the term 'wealthier'—certainly more resource laden. As to what we have in terms of that change to reality by looking at the whole range of sources of income of non-government schools, I will quote the Director-General of Education and Training in New South Wales. In a recent edition of the *Australian Parents Council Review*, No. 1 of the year 2000, he points out, from his position, that:

... the bulk of non-government schools will be operating at resource levels substantially higher than in government schools, when all sources of public and private funding are taken into account.

They are wealthier, however we describe or understand the notion of wealth. To take a more concise expression of the same reality, I quote now from an affidavit that was tendered in the Industrial Relations Commission this year by the Deputy Director-General of Policy and Planning, Dr McMorrow. This is an affidavit before a commission that has the status of the Supreme Court. This affidavit by Dr McMorrow says:

49. On average, non-government schools are already providing resource levels that are substantially higher than in government schools, when income from all sources—Commonwealth, State and private—are taken into account. This is clear from financial tables published in the Annual National Report on Schooling, hereto and marked "D".

Given that is the attested financial reality and that we need to avoid this bitter and divisive state aid debate resurrecting itself in Australia's history, it would seem an especially inopportune time for a national government to be seen to be distributing funds to that sector of education that the facts establish are already more comfortable and more resource laden than the government system. We also assert that they have a prior responsibility, as we assert that all governments do, for the maintenance of government services.

EWRSBE 52 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

One of the things I remember as a teacher as I followed various elections is the 1996 campaign slogan of the current government that when they were elected they were going to govern for all of us—and the 'us' includes children. But what we have in the attendant discussion around this particular bill is this assertion being made by the minister responsible—an assertion backed up not by facts or history, I am reluctant to say—in a letter that went to every government school principal in Australia, and this has been alluded to before:

... by long standing agreement with the States and Territories, the Commonwealth has principal responsibility for non-government school funding.

That seems to be the apologia for providing this disproportionate distribution of funds in different ways for Australia's children. What I think the facts establish—and in fact even members that have appeared before this committee today would agree—is that there is no agreement with the states and territories in relation to this. Might I say that there is certainly no longstanding agreement about the Commonwealth's principal responsibility for nongovernment

school funding. It is curious that a government of any persuasion would say that its prime responsibility, in the provision of any particular service, is in fact to fund as a priority the competitive part of the market against the government's own system of schooling. What we also have is the evidence of the last coalition government that in fact disproves the assertion of Dr Kemp in relation to this, when the great majority of the budgets that Mr Fraser had responsibility for provided the majority of Commonwealth schools funding for the Commonwealth schools in the government sector. That is a historical and financial fact. What we did have in the settlement of the state aid dispute of the early 1970s, which has been referred to, is a distribution of funds that had two qualities. More money was spent, that is, over the Whitlam and Fraser years, and there was a distribution of funds under what was called the Professor Karmel settlement, where the distribution was 70-30—70 government and 30 private. We now are approaching the inverse of that particular distribution. Under the Hawke and Keating governments, we had something that went between the disappointing and the disgraceful in terms of the lack of priority given to government school funding, and we have been harshly critical of that particular distribution of funding. Similarly, as part of the justification for this funding distribution, we had an assertion or justification that because the states are spending less—and it is the states' responsibility—the federal government, rather than compensating for that, is exacerbating the very thing they deplore; that is, the lack of expenditure on our public schools and on the children in those public schools. Finally, we have the reality where, if one has regard for the second reading speech in support of this bill, the bill itself, in its detail and its consequences, confounds the stated intent of the second reading speech. Dr Kemp said, in the second reading speech, 'The bill represents a major investment in the future of our society ... particularly schools serving the neediest communities,' and that cannot be delivered by the nature of this bill. I think it is incontestable that the neediest communities are in the main served by government schools, and it is not a major investment in the future of our society. It is indeed a major investment in one of the sectors of education, rather than the one that we would hope that governments had prior responsibility for. Dr Kemp also said in his second reading speech that 'schools serving the neediest communities will receive the greatest financial support.' That, sadly, is demonstrably untrue.

CHAIR—Thank you. I just have a few points of clarification. You were referring to changing balances of funding—private to public—over the years. Were you taking into account the amount provided, through state grants, by the federal government to the state governments to spend on schools?

Tuesday, 22 August 2000 SENATE—*Legislation EWRSBE 53*

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Fitzgerald—This is about Commonwealth funding and the history of that, going back to 1973, which is the distribution. We make our comments about the nature of the federal government and its responsibilities. The branches of the Australian Education Union have contested, over those same decades, the performance of state and territory governments, whatever their political—

CHAIR—I am glad you raised that, because I want to come to that point in a minute. So you agree that, when you are calculating those percentages, you are leaving out one major component of the funding, and that is what the federal government provides through state grants to the various state governments, which they then spend on public schooling.

Mr Fitzgerald—With respect, Senator, I did not agree to that at all. My comments go to those dollars that this federal parliament has discretion around in respect of its federal government dollars spent on the school children of Australia.

CHAIR—Absolutely. And you are leaving out those federal budget funds that go directly to state governments that are then spent on state schools. Don't you think it is a bit disingenuous to do that—a bit misleading that you are not putting in the full picture there?

Mr Fitzgerald—I would like to be allowed to put in the full picture. If we had a structure, a teaching profession or, indeed, a union that did not contest the distribution of funds at every level—but we can only make deposition here in respect of things that this bill has control of—and if it was about Commonwealth-state relations, we would be happy to join in that discussion. But in terms of either the \$18 billion or the \$22 billion that is before this

committee and its discussion, that is exactly what that is about.

CHAIR—Perhaps you should qualify your remarks and identify exactly what you are talking about, because it sounds to the public out there that you are saying that is the only money the federal government puts, out of its budget, into education. If I could just turn to the states. You did mention that your union was critical of what states are doing from time to time in the field of education. I believe your own state is New South Wales, isn't it?

Mr Fitzgerald—I am federal president. I have all the states.

CHAIR—No, originally. You are from the New South Wales Teachers Federation?

Mr Fitzgerald—Yes. I understand we share that great state; is that correct?

CHAIR—That is exactly right. I am very interested in your comments, specifically on the way in which funding is going out of the state budgets towards state schools. Could you comment on the fact that in the last state budget, at the time that the federal money was going up by five per cent to public schools, the state government money went up by a little over two per cent. It was not quite keeping pace. Do you have any comments on that, given that you are critical of federal government expenditure on this matter? Perhaps a lot of the problem is actually in the state government expenditure not keeping up.

Mr Fitzgerald—This nation needs a considerably broader investment in education and in all of the child's future, and we could go state by territory through that. What I have prepared here is a set of comments in respect of the matters before this committee, the Senate and the department as I understand them. But I do not think we have been conspicuously silent in criticism, as appropriate, of any political side.

CHAIR—I am pleased to hear that.

Senator ALLISON—Mr Fitzgerald, I am interested in the part of your submission which goes to the question of accountability and picks up on the private income of schools. At point EWRSBE 54 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

5.9 you list a number of resources that you say you would like to see included in measuring that income. Does this lead you to suggest that there should be improvement in the current level of disclosure of income, and can I invite you to expand on that?

Mr Fitzgerald—I would hope that any disbursement of public funds—in this particular case to education institutions—when those public funds are distributed, would be done on the same basis as applies to health policy, welfare policy or any distribution of those funds; that is, that we fully and publicly assess, firstly, the capacity of the people receiving the money and, secondly, the existing income from a variety of sources that schools have. We clearly have some inadequate instruments that in fact smack in part of political arrangement. Rather than saying, 'Here is this public money' and 'Please tell us all the ways in which students at your school are going to benefit,' we should ask, 'What is your income before you then ask us for public funds?' As we know in relation to schools, there are great but occasionally—and understandably—secretive forms of financial benefit that schools, particularly in the private sector, have. It is a reasonable proposition of accountability. This is where we assert that accountability is a mutual process, but we would need to know, and the public has a right to know, the whole range of income. What we say here concerns reserves bequest returns fundraising. But we could have added sponsorship and so forth, until we know. It is about the needs of the children and what benefits they attract before being in receipt of public funds.

Senator ALLISON—Proponents, including the government, of dropping that aspect of the schools' capacity to fundraise from the measurement argue that this remains as a disincentive for schools to raise their own money. In your experience has that disincentive in fact acted? Has it been a successful disincentive or has it been largely ignored?

Mr Fitzgerald—It has not been a disincentive in the last 140 years in that these schools have been able to exist, and they will exist if it ever happened that there was going to be any diminution of the amount of public money that they get. But these schools and systems have existed for literally over a century and some for longer than that. So the idea that these schools say that we do not want to know what other benefit, what other income, they get as a school before they get public funds stands in stark contrast to just about every other form of financial management that this and other governments manifest across a range of portfolios.

Senator ALLISON—Could you accommodate any form of incentive for fundraising in

schools—perhaps a discounted arrangement in a formula that might address that criticism?

Mr Fitzgerald—I guess we could develop it, but then that might give us the 47th index that we have. This is legislation not lacking in complexity. I think it is a question of openness, accountability and need. And so, once we establish those things across the portfolio, on a school to school basis, the fact is that, as a profession, and the various organisations speaking today, we cannot say how much which particular school is going to get. And there has not been an application. It is obvious that there has not been the transparency to be able to establish in the modelling what money each school is going to get, but we are going to give it to them anyway? I do not need we need more complexity; we certainly need more thoroughness in terms of knowing what is the need of an institution to provide quality education on an equitable basis for all Australia's children. This clearly has not arrived at it yet.

Senator ALLISON—Does it surprise you that it appears, at least, that most independent schools have not been able to go through that process so that they can understand what their level of funding is likely to be as a result of this measure? Do you think there is sufficient evidence or sufficient certainty about how it will work for the schools to be able to do that or are

Tuesday, 22 August 2000 SENATE—*Legislation EWRSBE 55*
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
we being told that it is just uncertain at this stage and, when the cheque shows up, they will know a bit more about it?

Mr Fitzgerald—As someone who has been in schools in various teaching and managerial positions, I would not like to run an individual school on that basis, let alone a national network of schools. I would not like, in August this year, not to know what my budgetary allocation and income was in terms of planning programs and resources for children in my individual school.

Senator ALLISON—Finally, one of your recommendations is that the lock between funding and the AGSRC be removed from the legislation. What do you suggest putting in its place?

Mr Fitzgerald—That is but one of the mechanisms. There is that lock. I think what we need to do is look at it in a global way and the responsibilities of governments on a national basis. What we say is that governments have a responsibility for all Australia's children equally, and that, say, the settlement that existed under Professor Karmel, and then the Whitlam and the Fraser governments largely, was a settlement that was roughly in proportion to the enrolment shares between the sectors. That would be an ideal form of distribution, but we are at the inverse of that particular distribution now.

Senator ALLISON—Thank you.

Senator CARR—The government senators have questioned your estimates of the distribution of moneys coming from the Commonwealth budget to the government and nongovernment sectors, and it is proposed that, somehow or other, you should mix up the different budgets. This is a bill that considers the expenditure by the Commonwealth parliament of \$22 billion over four years. That is the figure that DETYA has given us. There is some question as to whether or not the forward estimates have been accurate, and we will have to deal with that in a moment—perhaps I will seek your advice on your reading of the budget papers. But, on the question of comparing like with like, which is the way statistical analysis should run, if we compare specific purpose payments to the states by the Commonwealth government, we find that the share of Commonwealth expenditure has moved—from the time when this government took office of 43 per cent—on the projections that we have on these papers down to 35 per cent by 2004. Would you agree with that change? Is that consistent with your analysis?

Mr Fitzgerald—That is the advice we are broadly given about that distribution.

Senator CARR—This is a comparison of like with like. So, irrespective of how much the states are putting in, the Commonwealth source revenues have moved by an equivalent of 20 per cent in an eight-year period. Would you agree with that?

Mr Fitzgerald—That is our understanding.

Senator CARR—Further, we have heard today that there are 62 category 1 schools—I think I used the figure of 65 before; I want to correct that, it is 62—which have an enrolment

of 55,000, according to the figures provided to me by the Parliamentary Library. We have heard from the Catholic Education Office that they have been allocated category 11. I understand the Catholic education systems have something like 560,000 students. No, that is not quite right. There are 209,000 secondary and 351,000 primary enrolments, is that right? But in category 11 there is a total of 570,000 students. Would that be consistent with what you understand to be the allocation?

Mr Fitzgerald—I would not say that I was an expert on the latest enrolment figures.

EWRSBE 56 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CARR—I am just trying to get these figures clear in my mind. The submission you are putting to us is that category 1 schools—that is, a 62: the wealthiest, most powerful schools in Australian private education—have enrolments of something like 55,000. That is 5.6 per cent of enrolments. They are getting between a \$40 million and a \$50 million increase out of this states schools grants bill. But the Catholic Education Office, which has enrolments of around 65 per cent of the system—roughly the same number of schools, but that is enrolments—is only getting \$100 million out of the system. My understanding of that—and I would just ask you if you can confirm this—is that therefore the Catholic students in category 11 schools get \$157 per student extra but category 1 schools get an extra \$908 each. Would you believe those figures to be roughly consistent with your analysis?

Mr Fitzgerald—That is consistent with our analysis from the data that have been provided so far. It would seem to be an artefact that arises from the guarantee that no school will be worse off. In a world where we are constantly told—particularly in the government sector—that resources are finite, when there is a guarantee to one sector, say category 1 schools, that they will not be worse off it, there are going to be a lot of students elsewhere in schools hurt in relation to that, particularly when you bear two contingent facts mind: the resource levels in non-government schools are already, in the main, higher than in government schools; and there is a continued, sustained policy to continue the distribution of federal government school funds to the sector that is already relatively privileged. We know that category 1, 2 and 3 schools across Australia already get \$200 million annually. What we could do with that in terms of literacy and numeracy in government and in other disadvantaged schools would be immense. But that is an aside. That is an artefact and a by-product of the data, as we understand it, that are before us.

Senator CARR—I think we can calculate these figures based on what we do know from the simulation studies of the likely impact of these programs. We do have the figures in terms of the evidence presented to us today. I just want to make sure that we are talking about the same things. My colleague Senator Hutchins I am sure will ask you some questions about the issue of disabilities. As I understand it, under this bill students in wheelchairs in government high schools will receive \$24 less per child. Is there any guarantee in the bill that government schools will not be worse off?

Mr Fitzgerald—We have looked and looked. As I said, with a finite distribution of funds but with one part of that distribution having no cap on it, we can only assume that, when more money goes to a particular sector or subset of the student population, less both in terms of absolute and relative dollars will be going to children in the government system.

Senator CARR—So have I got this right? A child in a wheelchair in a government high school is getting \$24 less out of these particular arrangements and a child at Geelong Grammar is getting a \$900 increase out of these arrangements? Is that what you are saying?

Mr Fitzgerald—That is our statistical analysis.

Senator CARR—Quite clearly it is a shock to me. You suggest that the purpose of this bill is in fact to encourage a trend away from government schools. What evidence do you have for that?

Mr Fitzgerald—There have been numerous speeches made to basically anyone other than a government school or a government school organisation. Dr Kemp has attempted, it would appear, to establish the principle of choice in such an extreme fashion that he is prepared to jettison a government which, in every other way, would not engage in market subsidisation of

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 57

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

private providers. He says that choice appears to be such an absolute ethical right that they are attempting to make it inexpensive to go to a private school.

The argument then is, and I believe I am paraphrasing Dr Kemp accurately, that that will somehow increase standards in government schools. I must say that as a practising teacher I find it hard to see how, with fewer resources, less government support, a diminishing share of federal government funds and other difficulties in schooling at the moment, subsidising the school up the street, in the next suburb or somewhere else will increase standards. We would not apply that principle to any other part of public policy. But I think there is nothing secret about that. It seems to be the clear asserted position of the government in terms of an odd form of protectionism as it applies to private education by engaging in market subsidisation.

Senator CARR—We are told that the new SES model will provide greater accountability and will be more transparent, more efficient and more equitable. Do you believe those claims? If not, why not?

Mr Fitzgerald—It is transparent inasmuch as an increasing number of people seem to be able to see through it, but we do not seem to have the capacity where someone can say, ‘This school, that sector, will get that amount of money.’ As I say, we would not run an organisation like that but we appear to be in a rather hurried fashion running our school systems like that. The SES is a most imperfect instrument, and I would concur with the words of Father Doyle with respect to the SES when Father Doyle described it as being not sufficient or needing modification. The AEU would share Father Doyle’s view in relation to that. It is simply not working. Sadly, it smacks of a political settlement and, sadly, it looks like the subsidisation of privilege. That, in the field of building children’s futures, is beyond the disappointing. But the SES is a model. We would not use that narrow frame of reference in terms of the number of items in the index to assess just about anything. To take testing, for example, on which there has been some discussion across the nation from time to time, we would not have a testing philosophy where we said, ‘We will test one child in 20 and form statistical conclusions about standards in relation to that.’ However, in relation to the construction of this SES model, we are saying that that is a sufficient way of working out standards and a resource base in relation to it. This seems to be, at the very best, putting it at its kindest, a paradox in that sort of position.

Senator CARR—You say you have not actually have an opportunity to examine the details of the SES application to individual schools. Have I understood you correctly?

Mr Fitzgerald—I would like to know so that we could have all parts of the teaching profession and all parties interested actually sit down and say that by 1 January next year this school, that system, will derive these benefits or have these difficulties. I am not sure I have encountered anyone that could assert that position.

Senator CARR—You are saying that the SES model does not apply to 65 per cent of Catholic schools and does not apply to 25 per cent—the Victorian government says 30 per cent—of non-government schools other than Catholic and therefore only applies to 750 of the 2,600 schools. By the way, you say here 750 out of 2,500 that DETYA admitted. Did you get that from DETYA?

Mr Fitzgerald—I understand so, yes.

Senator CARR—So it only applies to a small number of schools. You also go on to say that it is limited in its methodology in so far as it applies to proportions of income, occupation and educational levels rather than the broader IRSED, which is the index of relative socioeconomic disadvantage. Can you explain to us your thinking in that regard?

EWRSBE 58 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Fitzgerald—The nature of disadvantage and relative advantage is a complex matter. It forms a basis child by child. Forms of advantage or disadvantage have a whole set of intersecting components. Income is one of them, but there are other things in relation to a child’s circumstance as an individual that can cause relative advantage or disadvantage. Unless you take all of these things in an intersecting statistical way, you are measuring only some parts of it. That is why, as the academic research indicates, we need to look at things more broadly—around income, occupation, employment status, accommodation, tenancy, single parents, family stability, aboriginality, English language capacity and so forth. Unless

we get all of those forces together, we cannot do it.

To use an example from my last school, we might have students that figure moderately well in some of those scales but, since 98 per cent of those students are from a non-Englishspeaking background, their capacity to learn in a particular language learning culture is conspicuously constricted. You need to see all of those things intersecting, and you need to do it more than in a form of sampling here. Similarly, in terms of a methodology, if we taught a year 11 class a methodology that says, 'We are going to survey this whole group but, first of all, we will exclude that group'—for whatever set of reasons—'and then this is going to be an advantage/disadvantage index, but we will guarantee that no-one is going to be worse off, and then we are going to come up with 46 indices', it would not pass muster as a year 11 form of taught methodology.

Senator CROSSIN—Under point 5.4 of your submission, the word 'research' is in quotation marks, by which I assume you are questioning the validity of the research carried out by DETYA. There is a link with that further on showing that the increase in private schools is supply driven rather than demand driven. Is it therefore your evidence that the basis on which such indices were used are directly related to that political agenda?

Mr Fitzgerald—I would think that is a fair inference to be drawn, in that we would like to have been involved with the rest of the education community and to be able to say, 'If we are going to construct such an index, shouldn't we all be involved in it?' We did not have the privilege of being invited to contribute to such an index. So when you have what looks like a subset of the education community being able to be formative in the research methodology, it does not, in terms of accountability, look to be a reasonable or fair process. Even if it were, it is not established because it was not open from the start about the nature of its discussion. We do not even have sufficient documentation around that, and this is about the distribution of \$18 billion or \$22 billion of public funds.

Senator CARR—Can I take you back to the methodology of the SES model? On page 3 of your supplementary submission, 'To those that have David Kemp gives more: How the SES model ensures wealthy schools get the biggest piece of cake!'—this is a report prepared by Roy Martin in June 1999—there is a table showing the highest and average increases by category. Do you stand by that graph? Is that your contemporary thinking, given that it is now some months since it was produced?

Mr Fitzgerald—From the data that is available to us, yes, we certainly do.

Senator CARR—That graph highlights the huge discrepancy between categories 1 and 12, similar to the figures that we were quoting before, although there will be some variations as we look at it. Where does that particular material come from?

Mr Fitzgerald—The whole paper has to be read together but, if you look at the expansion of funding to the various categories, on a category-by-category basis, that appears to be the way it is. I would have to read the entire paper to you, and I will spare you that.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 59

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CARR—I have a final question that goes to the issue of the powers of the Commonwealth minister. Have you had a look at the provisions of the bill which appear to be increasing the powers and the discretion of the Commonwealth minister for education?

Mr Fitzgerald—Yes, we have some concerns about that.

Senator CARR—You may have to take this on notice, because I would not mind a considered response, if possible. We have heard submissions from a state government this morning and, in the material put to me through the legal advice I have sought, there appears to be a capacity for the Commonwealth minister to retrospectively recategorise a school and then not have material and, in similar ways, not have matters reclassified in the *Gazette*. Are you familiar with those clauses of the bill?

Mr Fitzgerald—I will take that on notice. We did not draw that. It would not be inconsistent with other 'patchwork policy' approaches to the various parts of the educational community. We will take that on notice.

Senator CARR—While there has been some concern about the question of Commonwealth accountability for the expenditure of Commonwealth moneys—a point that has been made by numerous Senate committees here—does the union have any concern about

the implications of this bill for the flexibility of the operations of state school systems? You may want to take that on notice as well.

Mr Fitzgerald—I think that is quite clear. When we have national goals for schooling and take the kindest interpretation of the level of expenditure; when particular students can see—and I am looking at this from a student’s level sitting in a classroom—that certain students are valued by their national government disproportionately more than others; when we need to engage in an expanded form of education investment; and when we need to increase as a nation the share of national wealth, as measured, say, by GDP, to go to all of Australia’s children, then the capacity of the public sector to compete—or, if you like to use the technical term, to ‘retool’ our schools to become more technologically adept—is severely constricted by this bill, and it will cause considerable harm to children, particularly the most disadvantaged children, those that do not come from communities or have parents that have the capacity to form a supplementary payment. To come from a resource base that is far less than their private school counterparts leaves those children with a diminished capacity to survive and thrive as adults, citizens and employees in the years to come. That is objective fact.

Senator BRANDIS—In your introductory remarks, you made an assertion that the effect of this bill would be to take Australia back to the state aid debate.

Mr Fitzgerald—Yes, I said that.

Senator BRANDIS—Wasn’t the state aid debate in the fifties and sixties about the question of whether the government should fund independent schools?

Mr Fitzgerald—That was an element of it.

Senator BRANDIS—No, it was about whether, as a matter of principle, the government should fund independent—that is, non-government—schools at all. Did you not know that?

Mr Fitzgerald—I might say, as a historian, that things are multicausal. To say that there is one thing in the state aid debate—

Senator BRANDIS—Please don’t avoid the question, Mr Fitzgerald. The issue of principle in the state aid debate over which the Labor Party divided and ultimately resolved in EWRSBE 60 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
favour of was this question: should the government fund non-government schools? That is what the debate was about.

Senator CARR—If you know the answer, why ask the question?

Senator BRANDIS—Let me finish. Yet, Mr Fitzgerald, you also said in your introductory remarks that your union—the body that you represent—supports the public funding of independent schools. You said that, didn’t you?

Mr Fitzgerald—No.

Senator BRANDIS—Do you not support the public funding of independent schools?

Mr Fitzgerald—Could I address the preceding question on what the state aid debate was about. That would assume a knowledge of Labor Party history that is beyond me—

Senator BRANDIS—Not beyond me, Mr Fitzgerald. You are wrong.

Senator CARR—You are an expert on Labor Party history, are you?

Mr Fitzgerald—Notwithstanding that, if I may, the state aid debate was settled in the early 1970s not by a liquidationist position one way or another but by getting a balance between public and private that was regarded as a fair deal, on an expanded resource base, and a fair share amongst Australia’s children in schools. That is what solved the state aid debate. What it was caused by in the 1950s is something that 10 to 12 PhDs could dispute.

Senator BRANDIS—I am not putting to you what it was caused by; I am putting to you what the issue was that was being debated. Mr Fitzgerald, is it not your position that the government ought to fund independent schools?

Mr Fitzpatrick—No. What I said was that we support, amongst other things, pluralism, choice and accountability. In respect of pluralism, we said, and say, that we support the existence of a diverse, pluralist school system. My introductory comments did not go to the question of the funding for those schools.

Senator BRANDIS—Mr Fitzgerald, let me draw you out on the topic. Does your association support or oppose the public funding to any degree of independent schools?

Mr Fitzgerald—Our absolute position is that governments have a priority for the provision

of government services. In fact, I think we make it plain—

Senator BRANDIS—Yes, you do.

Mr Fitzgerald—In the submission.

Senator BRANDIS—Accepting that your position is that their first priority ought to be the funding of government schools, and I understand that to be your position, do you concede that the public sector has any role at all in funding independent schools?

Mr Fitzgerald—What we say in the submission—and I am speaking to that submission—is that our comments are made in the context of where it is occurring despite the AEU position. Our view is in a general sense of the government's responsibility to fund government services—in this sense, education. But our comments in the 32 pages that follow thereafter are in the specific context of getting the balance right, about what is a fair go—

Senator BRANDIS—I understand that, Mr Fitzgerald.

Mr Fitzgerald—But I have not finished the sentence for you to understand, Sir.

Senator BRANDIS—Perhaps it might save time if I just put a proposition to you and you can tell me whether you agree with it, or whether those whom you represent agree with it or Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 61

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION disagree with it: the government has a role, and do not worry about the relativities, in the funding of independent schools—do you agree or disagree?

Mr Fitzgerald—But how can we in this particular committee have that abstract discussion that may be something we would have late at night?

Senator BRANDIS—I am asking you now: do you support public funding of nongovernment schools—yes or no.?

Mr Fitzgerald—What is certainly opposed, what we oppose, and what endangers the nation is the imbalance in the proportion of funding that this bill provides for Australia's children. Choice is an important element in education and 70 per cent of Australia's parents choose government schooling, and they have since the public instruction acts of 1880. Their choice has been impaired, marred and undermined by the empowerment of an element that the government, sadly, seems partisan on. It seems to govern for only a subset of Australia's children.

Senator BRANDIS—Mr Fitzgerald, your attitude and your approach are perfectly clear and it is not necessary for you to elaborate upon them.

Senator CARR—Why have you asked him five times, then?

Senator BRANDIS—Let me finish, please, Senator Carr.

CHAIR—Order!

Senator BRANDIS—I am asking you a simple question which is a question of principle. Do you accept or do you reject the notion that the government should to any extent fund nongovernment schools?

Mr Fitzgerald—The first phrasing of this came from Dr Terry Metherell, a former Liberal education minister in New South Wales, who had written into the education reform act of 1988 that the primary responsibility—and this is in the objects of the act—of the state is in the provision of state education.

Senator BRANDIS—Mr Fitzgerald, you have said that several times.

Mr Fitzgerald—That is the first time I have commented on that one.

Senator BRANDIS—You have said that several times. Your view about priorities is perfectly clear to me, and I am sure it is perfectly clear to others. What I am asking you about is not priorities or relativities; what I am asking you about is whether you accept the notion that to any degree the public sector, the government, has a role in funding independent schools?

Mr Fitzgerald—They have clearly adopted that role—

Senator BRANDIS—Is it your view that they should?

Mr Fitzgerald—Please! They clearly have adopted that role, and our comments and our submission are in the context of governments adopting that role.

Senator BRANDIS—Do you think they should have adopted that role?

Senator CARR—This is the seventh time.

Senator BRANDIS—Do you think they should have adopted that role, Mr Fitzgerald?

Mr Fitzgerald—I think, to be fair, I have answered that in the way that I have chosen to answer it.

EWRSBE 62 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator BRANDIS—Mr Fitzgerald, it is not clear to me whether or not you accept or dispute the proposition that there should be any role for government in funding independent schools. You have told us about priorities, and I understand what you say about that. But I am going back one step, before you prioritise. I am asking you whether as a matter of principle it is your position that the government has any role at all in funding independent schools?

Senator CARR—For the eighth time!

Mr Fitzgerald—Government should fund and support children in government schools, and when those children have all achieved certain accepted measures and standards then other dollars ought to go elsewhere. But until that has happened, until governments have done, say, what the New South Wales act has said it does in relation to that, then my previous answers to your question stand.

Senator BRANDIS—If that is your position, may I observe, with respect, that it seems to be you and those who you represent, not the government, that is reopening the state aid debate.

Mr Fitzgerald—Which part of that, Senator?

CHAIR—I think we will finish at that point. Thank you for appearing before us today.

Mr Fitzgerald—Thank you very much.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 63

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

[3.06 p.m.]

LEE, Mr Patrick John, Deputy General Secretary, New South Wales, Independent Education Union of Australia

CHAIR—Welcome. The committee has before it submission No. 24. Are there any changes you wish to make?

Mr Lee—No.

CHAIR—The committee prefers all evidence to be given in public but if at any time you wish to give any evidence, part of evidence or answers to any questions in camera you may make the request. The committee will consider the request, but such evidence may subsequently been made public by order of the Senate. I now invite you to make a brief opening statement.

Mr Lee—Thank you. The submission that you have before you was prepared largely by our federal secretary, Ms Lynne Rolley, who gives her apologies. She and I appeared together the last time we were here in 1996, and I wish to record her work on the preparation of this submission. The first part of the submission gives a number of recommendations which are drawn from the body of our documentation. I wish to say at the beginning that our organisation is one of the newer organisations that will appear before you. We have a 20 to 25 year history of the unionisation of teachers in non-government schools across all levels of schools and across all states and territories. We seek to represent them all.

We have in the submission before you the basic premises on which we approach educational funding issues. On the first of our recommendations, I indicate that our organisation puts great weight on the evolution of Commonwealth involvement in the funding of schools and in school policies since the early 1970s. It is clear that the involvement of the Commonwealth in the funding of schools has been of important and strategic assistance to non-government schools but also to government schools. I mention that my organisation considers that it is often overlooked that there was a broad consensus in the Australian community in the late 1960s that the Commonwealth should in fact enter into the area of the funding of schools. It was educational activists and organisations representative of both government schools, the teachers and parents, state governments, but also the Catholic Church, parents and teachers in the non-government sector, who coalesced, if you like, on different premises but around the argument that the quality of education in Australia absolutely needed leadership from the Commonwealth.

There evolved over 20 years different mechanisms for the funding of schools—different

categorisations of need in the non-government sector and different programs, pursuant to the policies of different governments—to target particular needs in the government and nongovernment educational community. One policy line that runs through the recommendations in our submission is that that leadership role by the Commonwealth is most important. It has been pivotal. One of our concerns is that at the present time it is becoming less than clear what the educational policy rationale is for the involvement of the Commonwealth. There was an uneasy consensus which emerged in the early seventies and went through the eighties, and which was always uneasy, frankly. There has never been unanimity about the funding of schools, nonetheless there was an uneasy unanimity about Commonwealth involvement. Our organisation believes that the core of that has been a sense of educational partnership around policy between the Commonwealth, state governments and representatives of teachers and parents in the government and non-government sectors. I think that at the moment we are so far away from having any of the elements of some consensus—however uneasy—around the EWRSBE 64 SENATE—*Legislation* Tuesday, 22 August 2000 EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION purpose of Commonwealth involvement and around the focus and strategic point of it that that is a very great misfortune.

I will comment on some of the discussion that we have just heard as to what was or was not the state aid debate. I agree with the comment that was put by Senator Brandis as to the nature of the 1950s state aid debate. As a young school student in a Catholic school in a country town in Queensland, I learnt to chant things at state school kids across the road. Some of those things were a bit unpleasant. Mind you, I listened to some pretty unpleasant things in return. That was the nature and the quality of it, and no-one should underestimate just how bitter that was. My 20 years of involvement in representing teachers in non-government schools mean that I do not want to see us going back to that. I feel that we are going back to that not because the point of the debate now is whether non-government schools should be funded or not; the point now is what is the balance, what is the point and what is the rationale around that funding. To that extent, having agreed with Senator Brandis as to the point in his characterisation of the 1950s, I also agree with Mr Fitzgerald that the arguments and the community fissures that are opening up now are around that sense of balance. I want to say, on behalf of my organisation, that it is not comfortable within the community of teachers when teachers from government and Catholic and independent schools turn up at HSC marking in New South Wales and the language of hatred and bitterness across that group of scholars, there on a collective task to fairly mark the scripts of students from every school, is now enlivened by the community sense of imbalance and perceptions of imbalance in school funding. It is a matter of very great concern to my organisation.

The second recommendation indicates very broadly the policy prescription that my union has advocated not only to the current government but to previous governments, going back to the days of the Schools Commission, that the community is well served if there is some consensus about what a fair basket of educational resources would be in a school, and that that should be a consensus, if achievable, across government and non-government schools. Thereafter there lies an argument about the proportionality and contribution of funding. Of course, if schools of their own resources are able to float above that community resource, then there must be implications in the level of public funding which goes to those schools. Despite the fact that my organisation represents teachers in category 1 and 2 schools—and in some of them they have up to 80 or 90 per cent union membership, which might surprise some—nonetheless that does not translate into an argument that there should be unlimited amounts of public resources for schools which have floated above that kind of community standard. I believe that we have largely dismantled the capacity to reach consensus around community standards. At the Commonwealth level we had the Schools Commission. After that, in a weakened form, there was the Commonwealth Schools Council, of which I was a member. Now we seem to have nothing. Recommendation 3 says that our union supports that recommendation in the Senate report 'A Class Act', which believes that there should be a national committee that addresses this question. Recommendation 4 indicates our position on the SES approach. Basically we see the SES approach as a mechanism to rank, for the most part, non-Catholic independent schools. It is another question, then, about what level of

funding would be ascribed to the ranking therein produced.

We can concur with Father Doyle's account this morning. It is the position of our union—and it is contained in the submission—that, while the SES strategy brings some improvements, which we acknowledge, nonetheless a whole school resource should also be added to it for a mixed index. Without that, we believe that the anomalies that have been referred to here today will remain.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 65

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

We support continued collection of data from non-public schools. In recommendation 6 we indicate that MCEETYA is a common framework—not that it always invites submissions from our union or representation on as many committees as we would like. Nonetheless, it is cooperative between the Commonwealth and the states, government and non-government, and it does set a framework within which the ongoing oversight of planning mechanisms for schools could be given.

Lastly, and most strongly, Mr Rolley and I argued here in 1996 that the enrolment benchmark adjustment was a flawed and wrong mechanism and that it would not serve the Commonwealth well, it would not serve any system of schools well and it should be removed. I need to restate today that section 53 of the bill, which allows the enrolment benchmark adjustment to continue to operate, should be amended to prevent it from operating. I might leave my opening remarks there.

CHAIR—I would like to start off by referring to your comments relating to resources in private schools. I was reading into that that you seemed to prefer the old discredited ERI system of allocating resources in private schools as opposed to the new SES system. Would that be a reasonable characterisation of your view?

Mr Lee—Not quite. I am not a technician in this matter. Our position is, rather, as Father Doyle put it this morning: that there be some mixed index which relies on some of the improvements that I think an SES model brings, but with some incorporation of other indices for a more composite model. I would point to the fact that our union supports the mechanism used by the Victorian Catholic Education Commission to distribute both state and federal grants across its schools. That was an SES measure largely, I believe, used by DETYA in its modelling. It was the one place where there had been some evidence of its operation. But, as I understand it, it does not operate as a pure SES model. As was explained this morning, matters of rurality, Aboriginality and the rest of it are added into it, as well as size, disabilities and the like. We support that approach. Our position is not that the Commonwealth should not have engaged in the inquiry that it did or should not have brought SES measures to bear; we are saying that they are insufficient.

CHAIR—One of your comments could also be interpreted to mean that perhaps we would end up with less resources in education. If schools have the capacity to raise additional funding, you seem to be indicating that that sort of tops up—that you pull out government support from underneath. If we did that, would that not be a disincentive to raising additional funding? In that case, would it therefore mean less resources in education?

Mr Lee—A legitimate question, Senator, with respect. I think our answer is that public policy should not operate to absolutely discourage the effort of communities to support their school, whether it be a government or non-government school. To cut off, if you like, the energy of some fundraising and other forms of involvement in schools by parents and the community would be a step to disconnect parents and the community, so I do not argue that. But I do argue that there needs to be a limit to this, because the untrammelled capacity of a school community to accumulate resources without end, with that being seen to have no impact or implication at all for the level of support that governments continue to give to it, I think at the other extreme runs a risk of becoming close to scandalous. It then becomes a matter of juggling competing things. Our union does support the proposition that all nongovernment school students are entitled to a level of support. To that extent, and at a base level, the fundamental principle of the Australian Parents Council that every child is entitled to a form of support is one that our union supports. The question is: at what level should that

EWRSBE 66 SENATE—*Legislation* Tuesday, 22 August 2000
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

be struck in the context of very, very great capacity to accumulate resources? The position of our union is that there needs to be a limit on that.

CHAIR—Would you like to comment on Mr Fitzgerald’s proposition right at the end of his comments where he said or seemed to be saying that he would fund the state system up to when you have more or less fixed all the problems and then start funding the private system. You start putting public dollars into the private system. I am wondering what the effects of that on the whole education system would be and what your members would think about such a proposition.

Mr Lee—The position of our union is different from that. Our position is that state and federal governments should fund non-government schools and that they should do so not before or after the funding of some other system. There needs to be a framework within which there is a fair balance. I draw your attention to section 2 of the third page of our submission, ‘IEU Funding Policy’. Under 2.1 and 2.2 we set out the commitment of our union in principle to a well-funded public education system. We do that for two reasons: firstly, because it is right in itself and, secondly, less altruistically, because it will inevitably be the express benchmark, in a practical and political sense, of what governments believe they can or will afford for a good schooling system. Non-government school funding will always—and it will under the bill that is before us—be linked under some mechanism to the funding of government schools. This bill retains that. It has a new set of percentages calculated upon and distributed under a new SES mechanism, but ultimately it comes back to some expressed percentage of what governments in Australia believe is adequate or proper to fund a government schooling system. So, less altruistically, we believe it is important for that reason. But also—and these points are not in order of priority; I will come back to why we have put them in that order—we strongly support the tradition of diversity in Australian education. That is our background: the historic role of Catholic schooling and of other schools—that Catholic schooling, as I mentioned, is the longest and oldest system—and the variety of schools which are part of the multicultural heritage that we have. Our organisation has members and strong membership in Islamic schools, Coptic schools, Presbyterian and Anglican schools, New Christian schools and Catholic Schools. We believe that all those schools are entitled to public funding, but that that is best done and protected as a heritage for the future if it is done within an orderly framework that embodies some consensus. Our concern about the current bill is that we are being led away from that, and that is our great regret about it.

CHAIR—Thank you.

Senator ALLISON—Are you concerned about the possible use of data which might have to be produced by both sectors in relation to benchmarking, and the threat that funding might be withdrawn from those states, or those schools even, that do not achieve those benchmarks? Does your union share concerns about leagues tables?

Mr Lee—The answer is yes. It is part of educational policy and debate these days, and perhaps long overdue, that more public expression of benchmarks and standards is in the public interest and that the accountability of schools, government and non-government, to community expectations should be more transparent and evident. We do not disagree with that, but the mechanism which allows the Commonwealth minister, free of agreements with those that run schools—be they state governments or non-government schools or authorities, or teachers who do the work in schools—to impose what I would call arbitrary benchmarks to remove money as a sanction, with no clear strategy as to what happens to the so-called failing Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 67

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

school of system, seems to me to be a dead end. What happens the year after? What happens the year after that? What is the point of the withdrawal of money?

This question was asked earlier today, and the follow-up question said, ‘Well, if there is a continually failing school or system, shouldn’t it be penalised to bring it to public notice?’ I think there are a number of ways, as part of public debate, to bring to notice a failing school or system, and ultimately the Australian public or the public involved in that schooling sector should be able to have their say and have forms of redress. But the sheer removal of funding, independently of frameworks and the rest of it, has no policy point. It is destructive of schools

and we do not believe it is the form of leadership that we ask of the Commonwealth. We do believe the Commonwealth should strongly remain involved in schooling and we have always supported it. But that is not educational policy leadership.

Senator ALLISON—Your submission says that the union does not support unfettered choice and that you support planned educational provision. Does that mean you were happy with the previous arrangement, prior to 1996? Would you like you to see that back in its detail and entirety now, or do you have some ideas for a more forward looking approach to planned provision?

Mr Lee—In 1996, I think we were the only organisation to come here and defend Dr McKinnon's report, which was an inquiry into the opening of new non-government schools, commissioned under the former government but completed under the new government in 1996. Dr McKinnon was commissioned to conduct an inquiry, with submissions from across the educational community, into the rules which would govern the opening of new nongovernment schools. There were rules in place. In the end, he issued a number of recommendations which altered some of the earlier provisions, had some requirements as to minimum numbers and some other things.

Our position in 1996—formerly it would be still our position, but it seems a bit dated now, I suppose—was that that was an orderly to go forward. There was a consultation with the Australian community. It did acknowledge the position of planning and the importance of that. That in itself embodies the notion of some compromise and some limit to choice—which is of course evident in all forms of public policy and private policy, I might say. So we supported that and asked, in 1996, that the then bill before the Senate be amended to provide for some orderly way forward. We did suggest at that time that such a planned education provision mechanism might well be revisited, if the government of the day wished to put aside Dr McKinnon's report, and could be developed under the aegis of MCEETYA. In that forum there would be, inevitably, governments of both major political persuasions around the country so that it would not be politically weighted in one particular way and would have non-government involvement to come up with an orderly mechanism. In principle, we support that.

Senator ALLISON—Your union is probably in a good position to make a judgment about whether or not, in your experience, the penalising of a school because of its ability to fundraise—if you like to couch it in those terms, which I usually do not, but I have just done—acts as a disincentive. Or will schools fundraise regardless of the implications for their fundraising?

Mr Lee—I am not too certain of that. I think schools will fundraise. Public schools fundraise. Governments now set some limits on fees in government schools but endorse fundraising for certain purposes. I read in the press that government secondary schools in New South Wales are fundraising at the moment to raise to money for the necessary science EWRSBE 68 SENATE—*Legislation* Tuesday, 22 August 2000
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
equipment for the new HSC—which my union, as did the public sector union, asked to be deferred for a year precisely because of this problem. In the non-government sector, I think the Catholic schools where the majority of our members are and the newer Christian schools, in the western suburbs of Sydney, for example, and in other places and in other states, fundraise to reach what is necessary. They largely do not grow fat on fundraising. There is not that much money in those communities to do that.

The more established schools—and this would include a small number of government schools but disproportionately fewer—have greater capacities to raise very considerable amounts of money. They do that and utilise it in educational provision. I guess that will continue to go on. I think under this bill that is not taken into account in any way whatsoever, and all I can see is continuing grief coming in terms of a sense of settled public perception around that.

Senator ALLISON—So is there a good argument for reaching some kind of cap—perhaps some judgment about what is reasonable for a school to be able to raise and, beyond that, that amount being taken into account in the funding formula?

Mr Lee—That would be roughly our position—without us having any technical

mechanism to put forward. That would accord with the policy positions that we feel comfortable with.

Senator ALLISON—And you would not hazard a guess at a possible level of a cap? Have you done any work on that kind of proposal?

Mr Lee—Others have taken questions on notice. Now might be a good time for me to ask the same.

Senator ALLISON—Yes, if you would.

Senator CARR—Mr Lee, on behalf of all the Labor senators here, I would like to compliment you on your submission. In many senses, it would surprise people—some of the arguments you have put and the way in which you have presented the case. It obviously has strong similarities with the Catholic Education Commission's concerns about the SES model and the proposition that a combination of measures are needed to get a more equitable funding mechanism in place. Have I understood you correctly?

Mr Lee—Broadly, yes.

Senator CARR—Did I also understand you to say that the disproportionate share of moneys going to category 1 schools was near-on scandalous?

Mr Lee—I have not said anything about that, in that I have done less of the work in preparing this than my colleague. But I can take on notice the discussion that has gone on here today. Broadly the concern that our union has is not so much whether the per capita increase for students in category 1 schools, say, is \$500 or \$700 or \$800—

Senator CARR—Or \$900.

Mr Lee—or \$900, or whatever it is—I do not have those figures—compared to some other figure. What we are concerned about is that the end result of those increases being given in the context of this bill without there being a parallel strategy to address the needs of all schools including government schools, leads us into a public predicament about the debate around schools which is unfortunate and is not helpful to schools. It is not helpful to the schools that I represent or to the teachers. It is not an argument about whether the \$900—if that is what the figure is—should be \$500 or some other figure. The question is about the Tuesday, 22 August 2000 SENATE—*Legislation EWRSBE 69*

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
relativities and the total result, if you like, from the bill going forward in the current fashion. The majority of our members are interest Catholic schools and remain relatively unchanged.

Senator HUTCHINS—I have a few questions about the non-government schools. In your union's submission you make a comment about the bill, the way I have read this, that there are going to be no further guidelines for the establishment of new schools. Would you like to expand upon what the concern of the ITU is about that?

Mr Lee—Where a school is opened in the non-government sector we will try and find it and unionise it, and then start to represent it. That is the position of our union. We will always believe that, whether it be a category 1 or category 12 school, the rights of the workers in those schools are most important, that the school is publicly funded, that they have rights to salaries and working conditions which are broadly comparable with what can be afforded on an average, if you like, and we will fight to do that. We will also seek very hard to have proper management structures in those schools to make sure that there is an orderly form of delivery of education to students but also employment for teachers.

Our view is that, as in all things, there is a limit to choice and that it is not in the interest of any existing non-government schools as well as government schools if there is no community consensus about how large a school needs to be or under what circumstances it opens, and if it is reasonable for schools to open and close and come and go with chaotic impacts on surrounding schools. There should at least should be some orderly discussion about that.

There should be some mechanism which can produce a framework which can accommodate choice and which can allow, for example, Islamic schools to exist. I put on the record that our union supports the right for there to be Islamic schools. How could we support the right of Catholic schools and say that we do not like Islam? I would not come before the Senate and say that. It is the same with Catholic and government systems. Generally within Catholic and government systems I understand there is an internal process whereby the state government in any state decides whether this is an appropriate place to open up a new government school,

for example in a growing population area. That does not say that we can support the proliferation of government schools just because a suburb is growing and without any orderly process; there is a rationalisation of resources. There is some assessment about how close that school is to other resources, to public transport and the like. Largely Catholic systems engage in the same exercise internally and, frankly, through either formal or informal ways coordinate that a bit with state governments so that, when a new housing estate is opened, by and large I suppose there would be informal or formal discussions about where a Catholic school might go. Whether that is an unholy alliance where the governments and the Catholics sort of parcel it up and the rest can scramble in there I do not know; I have heard that said. But at least it is orderly.

There needs to be an orderly way that is public to deal with the coming into existence of Christian schools and other schools. That is all we say. We say that not to do that is to assume that the public purse is unlimited. It is not. We end up then with unholy competition between state and federal levels of funding, and the EBA is a crude mechanism to try and do something about that. It should be removed. What it does is to bring the state and federal levels of government into a quite public and unpleasant kind of relationship with each other as proportions of enrolments shift around. None of that is the right way to go forward. It should not happen in health policy, and it should not happen here.

ACTING CHAIR (Senator Carr)—In February this year I asked a question about the number of school closures. I was told that there were 40 non-government schools that had closed including some rationalisations. Six of those were schools that had been approved for EWRSBE 70 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION funding in the new deregulated environment since this government came to office. I am advised that there are a number of small non-government schools, and I have here a list of a number of schools with tiny enrolments—and I can name them if necessary—that are across a number of districts in Queensland and are in Western Australia, South Australia, Tasmania and Victoria, which suggests to me that there have been significant underpayments of teachers in terms of EBA arrangements. The teachers in some of these small schools, whose economic viability may well be open to serious questioning, are receiving up to \$10,000 less than those in schools in larger areas. Therefore, in terms of an economic proposition, there is a 20 per cent difference in pay. Would you like to comment on the capacity of these small schools to actually pay their bills, and therefore meet the requirements of their staff, and on whether or not the Commonwealth should have a role in ensuring some sort of economic viability before public moneys are paid to such schools?

Mr Lee—It has been our consistent policy position, since I first brought it to Dr Tannock as the chair of the Schools Commission back in the early eighties, that the viability of schools which depend substantially on public funds is important. I will be quite blunt: leaving aside the broad public policy issue and the rights of students to have an orderly ongoing education, for our union the payment of the teachers, security around their superannuation and all the rest of it are very, very important. I suppose that over the 20 years we have seen some improvement in that regard. If we go back to the mid-eighties, we actually put to the then minister, Susan Ryan, that she should make compliance with state awards a condition of the funding of non-government schools. It is to my very great regret that she never accepted that; she should have. With the different associations of Christian schools that was an area with which our union had considerable difficulty during the eighties in this regard.

We still have a problem with it in a number of schools, although not to the same extent. It is now exacerbated by the industrial laws—the federal industrial laws and those state industrial laws which follow the federal model—given the difficulty under the federal rules and related state rules of going to industrial commissions to get new awards which are updated by order of an industrial commission; rather you are pressured into forms of enterprise bargaining. A school can decline to bargain in good faith. There are a number of instances of this in Queensland, South Australia and Victoria in particular. You might have an out of date award which might have rates of, say, \$40,000 or \$42,000, which is not paid in government schools, government school rates being equivalent to \$50,000 at the top of the scale, Catholic schools at \$50,000 at the top of the scale and other schools which bargain in

good faith reaching rates of that order, be it a bit above or a bit below.

A school which does nothing and which uses the religious commitment of its staff, its isolated nature or its small size to say that it is struggling can force teachers to remain on rates of pay like that, \$10,000 below. That ends up, apart from being oppressive to those teachers, being, as far as I understand, a subsidy to the ongoing functioning of that school and an unfair competitive advantage, if you want to use that kind of language. We are against it for that reason. We are mainly against it because teachers should not be put in that position. The industrial laws in those states conspire to help bring that about. In my own state of New South Wales, the industrial laws do not operate like that and schools—Catholic and independent—are under awards which are common rule in the two sectors, awards which are negotiated amongst ourselves in the Association of Independent Schools to cover all schools, and with the Catholic system there we do not have that problem. I think there might be some noncompliance problems in a few places that we do not find, but at least the law is clear there. It

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 71

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

is a problem in those other states. I think that it is a lesser problem than it was in the early eighties but that is no standard to judge things by, I have to say.

ACTING CHAIR—Thank you. We are running out of time, so we will have just one more question.

Senator CROSSIN—I just want to clarify something. It goes back to a debate with one of the previous witnesses, which Senator Brandis might have started with his seven questions. On page 2 of your submission you say:

...the Enrolment Benchmark Adjustment and the removal of the New Schools Policy—have caused increased community tensions around the public/private education funding issues over the past four years.

I suppose one may take an extreme view and say that is a reignition of the state aid debate. In your opening comments, you said that you had a view that there was a tendency to go back to that debate. Aren't those two things you mentioned, plus this bill, a product of this government, and isn't the reignition of that debate then a product of this government?

Mr Lee—We criticised those two mechanisms, which were in the 1996 bill, then, on the basis that you have just indicated. We continue that criticism and, to that extent, the answer is yes.

ACTING CHAIR—Thank you very much for appearing today, Mr Lee.

EWRSBE 72 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

[3.47 p.m.]

WENN, Mr Maurice Aubrey, Manager, Interagency Relations Branch, Victorian Department of Education, Employment and Training

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

Mr Wenn—I am here as the manager of interagency relations. I have responsibility for non-government schooling and for Commonwealth-state relations.

ACTING CHAIR—The committee has before it submission No. 28. Are there any changes you wish to make to that submission?

Mr Wenn—No.

ACTING CHAIR—The committee prefers all evidence to be given in public, although the committee will also consider any request for all or part of the evidence to be given in camera. I point out that such evidence may subsequently be made public by order of the Senate. I now invite you to make a brief opening statement.

Mr Wenn—My remarks will be very brief. Victoria's written submission, which you have, focuses on what we believe are the two central and key elements of this bill. The first is the context for Commonwealth-state accountability and reporting relationships in education, and the second is the proposed SES model for funding non-government schools. I will comment briefly on Victoria's submission regarding these two important matters.

First, in relation to that context for Commonwealth-state accountability and reporting relationships, the submission makes these points. Victoria's commitment to the National

Goals for Schooling in the 21st Century is strong and, equally, Victoria's support for the MCEETYA processes which produced those goals and the collaborative planning which flows from them is unequivocal. But—and here I would like to quote some comments made by Minister Delahunty in the Victorian Parliament last Wednesday—Minister Delahunty said: The bill strikes at the heart of the collaborative partnership in education between state and federal governments. It not only jeopardises the spirit of mutual cooperation, which is essential if we are to deliver the best quality education possible for students across Australia ...

In our submission itself in relation to the elements within this bill regarding the relationship between the Commonwealth and the state we say that this particular approach in this bill is dysfunctional. The existing collaborative and consultative arrangements under MCEETYA are working well, and particularly the advances made through the substantial agenda of the MCEETYA National Education Performance Monitoring Taskforce reflect the most serious and genuine commitment by all states and territories to the reporting of nationally comparable education outcomes. This unilateral and heavy-handed approach by the Commonwealth through the provisions of this legislation has the very clear and real potential to bring all that cooperative endeavour to a standstill.

In relation to my remarks in relation to the other central element of our submission, that of the SES model, Victoria has reservations about the particular SES model developed by the Commonwealth. Our submission goes to some detail in analysing the nature of SES modelling and therefore some of the concerns that we have. I would particularly comment today on these things: firstly, it is area based rather than individual based; secondly, there is insufficient evidence yet to show whether this is really a needs based system, as claimed; thirdly, it takes no account of school wealth; fourthly, I would quote again from the conclusion to the submission on page 10 that this proposal, while purporting to fund the non-Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 73 EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION government school sector, because two-thirds of that sector, the Catholic sector, is fundamentally excluded from the provisions of this model and through the no-losers provisions in the bill, a yet to be determined proportion of the remaining one-third of nongovernment schools will continue to be funded at levels higher than those justified by the application of the SES model. As we say in that submission, in combination, therefore, for all the rhetoric around the implementation of this SES model, in 2001 one-sixth or fewer nongovernment schools will be funded at the level verified by this model.

The final point I want to make in these opening remarks—and it picks up on those last few comments—is that Victoria's position at the moment is not one of unequivocal rejection of the SES model. Our submission, I think, makes it very clear that the difficulty that we have is that we do not know; there is not enough information at the moment for us to be sure how that model will work for schools in Victoria. I would like to finish my opening remarks there.

CHAIR—Thank you. Questions, Senator Allison?

Senator ALLISON—Thank you, Chair. I have only just today seen your submission, so I have not been able to absorb some of the detail. I thank you for it, but I wonder if you could indicate something for me. On page 3 of the second paragraph you have done a lot of calculations about the SES score of 96 being broadly equivalent to ERI 11, and from that you say that there serious implications for the validity and relevance of the SES model. What does that mean? Why did you work out what the equivalents were? What is your view of the Catholic sector's decision to opt out of the SES modelling work? Can you expand on that in the context of what I have just mentioned?

Mr Wenn—You have asked three questions and I will answer them in reverse order. I do not believe it would be appropriate for me to comment on the decision taken by the Catholic Education Commission to opt out of this model.

Senator ALLISON—Let me put it another way. Does what you have done here in this calculation suggest that the Catholic sector would be worse off had they signed up to the SES system?

Mr Wenn—Can I approach your question and perhaps incorporate the second question that you asked. The calculation that is in the paragraph that you are referring to on page 3 is, from our point of view, trying to translate from just lining up dollar amounts from the existing ERI

model and its levels of funding—the 12 categories—across to the SES levels. Our statement there is:

The Commonwealth maintains that an SES score of 96 is broadly equivalent to ERI 11.

That is not a claim that we are making, because the final figures in relation to the SES levels—with new AGSRC figures still to be factored in—make it unclear as to whether that is precisely accurate or not. Consistently throughout this document, we ran up against the problem of what is right and what is accurate, and what can be determined and what cannot.

What we have tried to do there is give a sense of how that continuum works. We do not have the information in relation to where any Catholic schools were on the SES simulation exercise. I do not know whether other people do, but we do not have that information.

Senator ALLISON—It seems we are all a bit in the dark—

Mr Wenn—Yes.

Senator ALLISON—including independent schools, who do not appear to know whether they are going to benefit or not from this measure. Is that your understanding, too?

EWRSBE 74 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Wenn—Certainly, and from a Victorian government point of view, because the Victorian government uses the current Commonwealth mechanism of the ERI for providing recurrent funding to Victorian non-government schools, at the moment—because we do not have any actual information in relation to schools—Victoria is not in a position to know whether any one school in Victoria, any one non-government school, is actually going to be better off, worse off or whatever under this model.

Senator ALLISON—And you will need to know that before deciding whether to just proceed with the ERI system as it has been used?

Mr Wenn—Certainly, because if Victoria were to take a position in which there were not to be schools that lost in that process, then the budget exposure for the Victorian government would be totally unclear. We would not know how many schools might come out at a lower level on the SES and therefore need to be topped up to bring them up to a certain level.

Senator ALLISON—But this measure guarantees that no school will be worse off, so that is not likely to be the scenario.

Mr Wenn—Yes, but that is the Commonwealth's policy setting. Victoria has previously used the existing Commonwealth mechanism—

Senator ALLISON—I see what you mean.

Mr Wenn—and not the policy setting.

Senator ALLISON—So you would have to take on a 'no disadvantage' rule as well, and you do not know what the implications of that are. Is that what you are saying?

Mr Wenn—That is correct.

Senator ALLISON—At the other end of the spectrum, if it was found that the wealthier schools end up with the vast bulk of the increase—as a lot of people have suggested they will—would you be prepared to consider adjusting downwards your funding for those wealthier schools?

Mr Wenn—That is again a policy issue for the government that I do not believe it is appropriate I comment on. Certainly, in our submission though, the question of the public perception of the government—and in this case we are talking about the Victorian government; it is an issue for the Victorian government—giving additional dollars to schools which in a social perception are clearly wealthy and advantaged schools is an issue for the government. The Victorian government already has a policy position to indicate that additional resourcing is to be targeted in the non-government sector to needy and disadvantaged schools. We do not at the moment under the Commonwealth change to this model really know which schools we are talking about if we talk about needy and disadvantaged. In terms of category 1 schools across this country, the very, very large majority of them are in Victoria and New South Wales, so the public perception about where those additional dollars are going to is an important one.

Senator ALLISON—The New South Wales state government has made some adjustments in light of the EBA for the last two years, I understand.

Mr Wenn—Yes.

Senator ALLISON—Victoria has not been similarly disaffected. Do you support through this bill the abolition of the EBA? Has the Victorian government considered taking similar steps to New South Wales?

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 75

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Wenn—I would prefer not to comment on that in relation to the EBA because the EBA is not an issue addressed in this particular submission. It is not something that we addressed. In hearing other speakers before, the Victorian government response, as much as anything else, in its submission is a policy response to what we believe are two central policy issues: that of Commonwealth-state relations and the way they work in education, and that of the parameters around the funding model.

Senator ALLISON—If the Victorian state government does consider this question of whether it would like to see the EBA removed, I am sure the committee would be pleased to hear about it.

Mr Wenn—I will take that on notice.

Senator ALLISON—Something which is in your submission is a recommendation that implementation of the SES model should be deferred for 12 months. Given that there is a lot of pressure from the non-government sector to pass this bill, is it still a serious recommendation from the Victorian state government? How could the bill be amended in your view to maintain the status quo for another 12 months, given that it is a money bill?

Mr Wenn—I think the answer to that would need to be provided by other people. It is a desirable part of the process at the moment that a longer period of time is required for all states to work with the Commonwealth to work through a full understanding of what this model might mean and the ways by which it might be better adjusted. That cannot happen if this model is just to be put in place. Certainly, the proposal in this submission is that a 12-month moratorium period—to use your words—would give everyone some breathing space and actually work through the consequences. As I keep saying, as at this point, the Victorian government has no information about the actual implications for this funding model for any non-government school in Victoria.

Senator ALLISON—But if we did not proceed now, how would we be in a better position in 12 months time to know, when at least the broad parameters of this model have been known since 1997 when the first round of modelling took place? What is it we still need to find out and how are we constrained from knowing it?

Mr Wenn—Certainly our understanding is this that, in going from the simulation project exercise and the outcomes from that through to where we are now, there have been some changes and there is a different set of outcomes. But exactly what they are and what they look like is still unknown to us. Essentially, the thrust of the submission highlights the great difficulties there are when we are dealing with something and we do not know how it works.

Senator ALLISON—Thank you.

Senator CARR—In your submission, on page 4, you say:

Victoria is yet to be fully informed about how the model will apply in its jurisdiction.

When was the Victorian government consulted about this bill?

Mr Wenn—The Commonwealth officers visited us and gave us some information about the bill and its implications. I am trying to recall when. It was about five or six weeks ago.

Senator CARR—We have heard that the South Australians were briefed on 3 August and the Queenslanders on 11 August. So you actually got in a bit earlier than them.

Mr Wenn—Yes, Victoria was the first port of call.

Senator CARR—So you had one day of briefing, did you? How long was the briefing?

EWRSBE 76 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Wenn—It was two hours.

Senator CARR—Two hours? It is a \$22 billion bill and you were briefed for two hours?

Mr Wenn—Yes, but that did not include any briefing in relation to the SES model.

Senator CARR—So the complaints that you have about the nature of the model were not covered at all in the briefing? Have you had an opportunity to put these to DETYA?

Mr Wenn—No.

Senator CARR—They are quite substantial, are they not? You go through a whole series of concerns about the SES modelling. You actually say that is likely to produce quite serious inequalities, if I read your submission correctly. You say that there are ‘fundamental and overriding’ concerns about the actual validity and fairness of the Commonwealth’s SES model.

Mr Wenn—‘Likely to produce’ is probably too strong a phrase. The recurring theme of our submission is that we simply do not know.

Senator CARR—You are supposed to run an education system in the great state of Victoria. You are suggesting to us here that this bill confers ‘unilateral powers on the Commonwealth Minister’.

Mr Wenn—It does.

Senator CARR—Have you been consulted about that?

Mr Wenn—No, we have not. That was part of the two-hour discussion we had with the DETYA officers.

Senator CARR—In two hours you covered all of that as well?

Mr Wenn—Yes.

Senator CARR—You raise here the question of the disallowable instrument and say that it is inappropriate and unsatisfactory. Why do you say that?

Mr Wenn—Because the view would be that, as a mechanism, to already have something in place and then need a further parliamentary process in order to undo it becomes particularly cumbersome.

Senator CARR—If you have had a chance to look at the bill since that two-our briefing, have you had a chance to also examine the detail of the proposals with regard to, for instance, the reclassifications of schools, which do not require further gazetting of information under this bill? Have you had a look at that particular clause in the bill? If you have not, could you take that on notice?

Mr Wenn—Yes, I will take that on notice.

Senator CARR—Could you give me an indication of what you assess to be the legal implications of that provision of the bill? I notice, for instance, that there is a capacity for the minister to retrospectively reclassify schools. Have you had a look at that?

Mr Wenn—Yes, we are aware of that provision in there.

Senator CARR—In your judgment, how does that work? Is that a reasonable proposal? In terms of other school bills, is that the standard procedure?

Mr Wenn—Not that I am aware of. Again, I would want to take that on notice, but I would have to say that that is consistent with the overall thrust of the bill, which has a lot of

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 77
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
unilateral empowerment for the Commonwealth minister in it which was not part of previous bills and was certainly not there in the 1996 bill.

Senator CARR—Does the Victorian government consider that to be acceptable?

Mr Wenn—A very strong element of our submission is to say that that is totally unacceptable.

Senator CARR—Have there been discussions with Minister Kemp about what you believe to be an unacceptable provision of these bills?

Mr Wenn—I do not believe so.

Senator CARR—What representations has Victoria had the opportunity to make with regard to the operation of this bill, given that you have not been consulted about the construction of the bill and you have had a two-our briefing? Have there been any other vehicles through which you have had an opportunity to express your concerns?

Mr Wenn—Given the time lines, of which you are well aware, that all of this has worked through, the short answer is that I am not aware that there have been any others than to go through this process.

Senator CARR—There are certain amounts of information that are now becoming apparent. We understand about the \$100 million going to the Catholic education system. We understand some things by an examination of this bill and various schedules of the bill. On page 114 are the amounts provided for the schools under the new SES index for each step on

the scale for primary students. For category 1 schools, for instance, there is advice in terms of the simulation study. I take you have had a look at these documents.

Mr Wenn—Indeed.

Senator CARR—Do you think the bill is providing a fair and equitable distribution of moneys under this new arrangement?

Mr Wenn—The fair and equitable distribution does come down to the issue of how one constructs an SES model. In the submission we are at some pains to point out all the elements available, and previous speakers here today have also indicated there are a wider range of elements that could be part of an SES model, and for many other purposes they are. One of those elements which was part of the ERI model, for example, is the issue of wealth and a school's capacity to generate wealth on its own behalf. This particular model does not address that issue and therefore, as argued in the submission, the issue about this funding is seriously compromised.

Senator CARR—We understand that individual schools have been advised of their SES score and therefore are able to make some calculations as to what the likely impact is.

Mr Wenn—We understand the same.

Senator CARR—Are you able to give us an assessment in terms of Victorian operations of what you believe will be the outcome of this bill in relation to the operation of this bill within the state of Victoria?

Mr Wenn—We do not have that information in relation to the schools in Victoria.

Senator CARR—I see. But you have individual scores coming to schools, which presumably you would have to ask individual schools for, would you?

Mr Wenn—That is correct, and that has not been provided.

EWRSBE 78 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CARR—That is still not available to you?

Mr Wenn—That is not available to us.

Senator CARR—So it is at the schools' discretion as to whether or not they provide it to you.

Mr Wenn—Yes, it is.

Senator CARR—That is quite a serious omission in terms of the operation of this bill, if we do not really have an understanding of how it actually functions across the system as a whole to see who the winners and losers are. Would you agree?

Mr Wenn—Absolutely. Normally, in previous times under the ERI model, the Commonwealth was able to provide the appropriate information for us to then use that ERI mechanism for the state's own recurrent funding. It is in a position where it now cannot do that.

Senator CARR—And your submission to us is that, until that information is provided, there ought to be a delay in implementation of this model.

Mr Wenn—That is what we are saying.

Senator CARR—In terms of the government's forward estimates, you have noticed no doubt *Budget Paper No. 2*, which specifies how much money is supposed to go to the nongovernment sector over the quadrennium. That compares with the statements that are made in this bill. Have you had a chance to examine the forward estimates of the Commonwealth budget?

Mr Wenn—I am not in the bean counter section of our department—

Senator CARR—I will ask you to take this on notice for me, if you are not able to provide this information at this point. Can you compare what you believe to be the effect of this bill in terms of the various schedules outlined in the bill with the provisions that are known, the statements made by DETYA as to the forward specific purpose payments, and what has been advised to this parliament in *Budget Paper No. 2* or any other budget papers, and give us your assessment as to whether or not the declared amounts of money that are going to fund this program will be adequate to meet the commitments entered into in this bill?

Mr Wenn—I will take that on notice.

Senator CARR—Time is short today—

Mr Wenn—It certainly is.

Senator CARR—But I am particularly interested in your concerns about the actual SES modelling. There are a number of technical issues mentioned in your submission that are not apparent in a number of other submissions. So there is new information provided there. As I understand it, you are basically saying that the use of the census statistics to provide data is inadequate.

Mr Wenn—Yes. We raised concerns about the concept of area based as opposed to individual based, fundamentally because in Victoria our approach to school funding through the Schools Global Budget process is based on an individual based profile which is built for a school and not area based or statistically based as this model is.

Senator CARR—So, for instance, in a suburb like Brunswick, where a mixture of people live, there is not necessarily—according to the way I read your submission—a reflective survey that can be undertaken of a particular census district, given that there are differences Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 79
EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
within that district which would distort any particular model insofar as people attending nongovernment schools. Is that your contention?

Mr Wenn—That is a fair comment.

Senator CARR—I will now go to the question of geo-coding. As I understand it, your suggestion is that that is inadequate insofar as the geo-coding has not been practised and perfected as a model without manually checking that proposition. Is that the sort of contention you are making?

Mr Wenn—I think that is probably overstating the case. There are reservations about the geo-coding process as a statistical process, particularly where a school's intake is drawn from a very large cross-section of collector districts. Because we do not have the real information at the moment, it is difficult to be sure that that process will produce fair, balanced and equitable outcomes.

Senator CARR—Obviously you could expand at length on each one of these problems that you have identified, but we are pressed for time. When we turn to the issue of the simulation study, you say that the actual validity and fairness of the scheme is open to question because only one-sixth of schools have this new model applied to it. I understand that, in Victoria, 58 per cent actually participated in the validation study. From that you have to deduct the number of schools in the Catholic education system and the number of schools for which the no disadvantage test is applied—until you get to the point where there are only a very few schools that have direct applicability of this model to their circumstances. Is that the contention that you are putting to us?

Mr Wenn—As I said, because we do not have that absolute information it is difficult to build an accurate profile in relation to each individual school. But simply taking the numbers as we look at them, two-thirds of the non-government sector being Catholic are effectively outside this model and are not having it applied to them. Of the remaining one-third, we have to take a best guess position at the moment. If our best guess says that 50 per cent of those schools will have a no losers tag applied, then we are really talking about this model applying to only one-sixth of non-government schools in Victoria.

Senator CARR—There are a whole series of other things in terms of the index between those in the high levels of the cut-off scores. At the low levels, I see a similar query arises as to the appropriateness of that. I noticed that, with regard to the use of the AGSRC for indexation, you are proposing some concerns about the way in which that actually operates and the actual expenditure of schools. I noticed with regard to the fundraising penalty, there are some concerns being expressed. Of course, there is also the general issue of the applicability of the schools. I take it from all of that that you are not very happy with this particular SES model. Would that be a fair conclusion to draw?

Mr Wenn—If I simplify it down to two things, we are saying first that this particular SES model does raise some reservations with us, and you have enunciated many of those in that process. The submission articulates them in more detail. The second thing is that, because we do not know how that actually works in relation to any one school, it is difficult to make a judgment as to whether this is a viable SES model or whether it is not.

Senator CARR—The Catholic Education Office has advised us that it would be better to

have a mixture of measures to get a fairer modelling system or a distribution unit mechanism applied to the distribution of funding to non-government schools. Would you concede that that would be the best way to proceed, or do you have some other proposition?

EWRSBE 80 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Mr Wenn—I believe the Victorian government would be interested in considering that kind of proposition.

Senator CARR—There is just one final question regarding the changes in the moneys going to disabled students.

Mr Wenn—That has not been an aspect we have addressed in this submission.

Senator CARR—I would ask you to have a look at that on notice. I am interested in what impact you think that is going to have on disabled students in Victorian government schools.

Mr Wenn—I will take that on notice.

CHAIR—Thank you for appearing today.

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 81

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

[4.21 p.m.]

DAY, Mrs Hazel Jean, Executive Assistant to the Chairman, Association of Heads of Independent Schools of Australia

HORTON, Ms Noelene Elizabeth, Chair Elect, Association of Heads of Independent Schools of Australia

CHAIR—I welcome representatives from the Association of Heads of Independent Schools of Australia. The committee has before it submission No. 10. Are there any changes you wish to make to that submission?

Mrs Day—No.

CHAIR—The committee prefers the evidence to be given in public but if at any time you wish to give any evidence, part of evidence, or answers to any questions in camera, you may make the request and the committee will consider the request. However, such evidence may subsequently be made public by order of the Senate. I invite you to make a brief opening statement.

Mrs Day—The Chairman of AHISA, Father Chris Gleeson, is not present today and he sends his apologies. He is very much pleased that the Chair Elect of AHISA and the present Chair of the Victorian branch can represent him. The Chair Elect is also the principal of Lowther Hall Anglican school in Victoria and I was an ex-principal of an independent school before taking up my position.

This submission has really been from the point of view of principals of schools rather than an association of schools. It was prepared after consulting with various members of our state branches of AHISA. AHISA is an association of 280 heads of independent schools. The religious affiliation of their schools is diverse, and we welcome that cultural diversity and the provision of choice to parents of the type of school that is right for their child. Our schools appear in every present funding category. There are 50 per cent of them in categories 1 to 4 and 50 per cent in categories 5 to 12. Some belong to systems.

There will be many changes with the new SES funding arrangements helping towards addressing inequities under the present arrangements. One example is that at present having neighbouring schools serving similar communities but with difficult funding categories is a very unfair arrangement. We are interested in the quality of education of all children in both government and non-government schools and we do think that the Commonwealth should fund all students. We believe that the SES funding model will give greater equity to parents of students in our schools because it is based on family and student need. However, we do think that a review process will be necessary, because it is starting a new process and it will need to be reviewed. But we would also like to see the bill passed quickly so that our members could plan their school programs adequately for next year.

CHAIR—Thank you. Ms Horton?

Ms Horton—I do not think I need to add anything. I think the additional information will come in answering questions.

CHAIR—Thank you. In your submission you state a clear preference for this SES model,

compared with the previous education resources index model, because ‘it centres on the interests of families and students’, not on those of institutions. Would you expand on your reasons for supporting this new approach?

EWRSBE 82 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Ms Horton—The ERI model attempted to assess the wealth or the resources of schools.

We believe that is a flawed model and that the SES model will talk about the needs of students, the needs of families and the needs of parents. For that reason we believe that it is a fairer system.

CHAIR—What is the general reaction of the Association of Heads of Independent Schools to the change?

Ms Horton—It is generally welcomed. It is seen as a move in the right direction, the right direction being good adequate funding for all Australian schoolchildren. It is seen as a move that is fairer to the students in our schools and, indeed, that is not to the disadvantage of any other sector, because we would not wish that to happen.

CHAIR—Are there any particular groups of schools that were disadvantaged under the old ERI system but you think will be more fairly provided for under the SES system?

Ms Horton—I would like to introduce the word ‘wealthy’ at this point and really question what it means. Today we have heard ‘wealthy schools’ referred to and I am wondering what the criteria are for determining wealth. Is it because they have already been categorised as category 1?

CHAIR—Based on the ERI, yes.

Ms Horton—Yes, based on the ERI, which I think we now recognise has not necessarily been a fair system. So I think it is possibly a bit of a chicken and egg situation. Deeming a school to be in a particular category and then having an inflexibility about it which retains that school in a particular category and requires the parents to use their money to decide to invest in education, rather than in the other things that they might choose to do, is not as fair as an SES model.

CHAIR—Wouldn’t it be true of a lot of those old category 1 schools that quite a large number of the parents could not be classed as wealthy? Quite a lot would often be struggling on the land to send their children to such schools.

Ms Horton—Or struggling in the milk bar or struggling in quite a few other places.

CHAIR—Exactly.

Ms Horton—We assume that families who choose certain independent schools which have higher fees (a) are actually paying all those fees and are not subsidised in some way and (b) have a lot of wealth to dispose of. I do not believe that is so. I am happy to refer to my own school if necessary, but I am here representing all. My own one has been a category 2 school.

CHAIR—I have heard a story of one family which sent six children to a particular private school and paid all the fees. When the seventh child arrived, the school actually allowed that child to go through for free.

Ms Horton—I think that is eminently fair.

CHAIR—I think so too. That is a bonus. Other questions?

Senator ALLISON—I wish to pick up the question of wealthy schools. Are you suggesting there is no reasonable measure by which we can make a judgment?

Ms Horton—The reasonable measure that is before the parliament is the SES model. That appears to have had some credibility for some time in being used in various ways, and it does take into account various factors to do with postcodes and census districts. We often hear people referring to areas which are more or less disadvantaged in terms of postcodes and I

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 83

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

think the SES model appears to offer a far fairer means, certainly fairer in terms of the students and the families, which is what it is all about.

Senator ALLISON—But you would not dispute the suggestion that some schools are wealthier than others, surely?

Ms Horton—No, I would not dispute that some schools are wealthier than others.

Senator ALLISON—Some quite a lot wealthier than others.

Ms Horton—Yes, quite a lot wealthier than others, and that would be for independent Catholic and state.

Senator ALLISON—Yes. Do you also have a comment to make about so many of the submissions having the view, based on the legislation, that it is those schools—if we do not call them wealthy let us call them wealthier than most or at the wealthiest end of the spectrum; I do not know how you would define that, I could make some suggestions but I do not know that it would be helpful—are likely to attract the bulk of the additional funding flowing from this legislation?

Ms Horton—I would have no knowledge of that. My comment would be to, firstly, again challenge the word ‘wealth’ and, secondly, to say that if supposedly wealthier schools were appearing to attract more money at this stage, it really might just be redressing a situation in terms of fairness for those families involved, many of whom are making considerable sacrifices to choose fee paying education.

Mrs Day—In my school, for example, we did a survey that showed 70 per cent of families had two parents working to put their children through school, and that is a category 2 school.

Senator CARR—Which beats a lot of schools with families where neither parent is working.

Senator ALLISON—We have heard today that schools have already been informed about the score they will attract. Does that tell them how their fortunes will be increased or otherwise? What does the score tell a school?

Ms Horton—My understanding is that all that schools would have knowledge of would be an outcome of a simulation model rather than the real thing. Also, schools are in the position that is in our submission of not knowing what is going to happen and hoping that there will be some surety soon about how we can prepare our budgets for the future. Sorry, did I not answer the question properly?

Senator ALLISON—No. I am trying to understand what the relevance is of having the score. If you know your score, does that not tell you something about the likely funding from the Commonwealth?

Ms Horton—Possibly the likely, yes; but it was a simulation exercise and I am not sure that all schools were involved in it.

Senator ALLISON—We heard from the previous witness that all schools had been informed of their scores. Do you think there is some doubt about that?

Ms Horton—I do not know enough to comment on that, but I certainly know that many schools would be aware of the outcome from a simulation exercise.

Senator ALLISON—In many of the points you make in your submission you talk about the desirability of certainty and you urge the parliament to deal with this bill so that there is certainty. I put it to you that it is going to be a long time before anyone has any certainty about EWRSBE 84 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION
this and I ask you why you would oppose a 12-month delay until the work has been done so that we can actually understand what this means in terms of distribution and equity?

Ms Horton—My reaction to that is that the existing model is not a fair model. The wish to be able to move from a complex, non-transparent, unfair model to one that is fair, appears to have a transparent formula and helps and addresses the needs of children and families rather than perceived resources of schools sooner rather than later is obvious.

Senator ALLISON—But do you not see a flaw in your argument? If there is, on the one hand, this level of uncertainty, how can you be so certain that this is a fair measure?

Ms Horton—The uncertainty is the parliamentary procedure, I presume, and how quickly it might go through if it is going to go through the parliament. That was my reference to uncertainty.

Mrs Day—I think the maintenance funding mechanism gives us some degree of certainty as far as schools not being worse off financially is concerned.

Senator ALLISON—But you would have that anyway. If your school is not going to be worse off under the status quo, it is still not going to be worse off, is it? So you have the certainty of not going backwards. That is implied whether you want to proceed with this bill or whether there is a delay of 12 months. What I am suggesting to you is that there is no

certainty beyond that.

Ms Horton—Beyond?

Senator ALLISON—Beyond the knowledge that a school will not be worse off.

Ms Horton—But there will be many schools that will be better off because their funding category will change.

Senator ALLISON—I think we understand that. I am just trying to get at where the certainty lies, but I think you have explained your point of view. You said that this is important for families and that the fairness relates to families and incomes. It is my understanding that one of the flaws in this legislation is that it does not take account of the number of children in families.

Ms Horton—I cannot comment on that. From my understanding of the research that went into this and the methodology, the model that is being proposed appears to be the fairest available. I presume that if it could account for the number of children in families then it would do so. I am not an expert in the methodology.

Senator ALLISON—Are the principals from Jewish schools part of our organisation?

Ms Horton—Some are and some are not.

Senator ALLISON—And they have not made representations to you on this question of numbers of children in families?

Ms Horton—No.

Senator ALLISON—I do not know whether we have a submission from the Jewish school groups but I have certainly received a lot of letters which comment that there are some great disadvantages if you have more children than not. I have a question about the enrolment benchmark adjustment. I do not think you refer to it in the submission. I am asking all witnesses if they would like us to move an amendment to remove this provision from the legislation.

Tuesday, 22 August 2000 SENATE—*Legislation EWRSBE 85*

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Ms Horton—Our view is that that is a matter for the Commonwealth and the states. It is not, as you say, within our submission.

Senator ALLISON—And you do not hold a view?

Ms Horton—No.

Senator ALLISON—You say that a review process is necessary to look at future inequities. How would you judge what is inequitable? If you were designing some terms of reference for the review, what sort of advice would you be giving to the reviewers about inequities?

Ms Horton—I am sure I cannot answer that question on the spot. I suppose one reason for that comment—and my colleague, no doubt, will add to the response—is that, presumably, when the ERI model was set up, it was felt to be appropriate at that moment in time. Over years it obviously was not appropriate, and there ought to be checks and balances in terms of reviewing the fairness from the basis of this model which is the fairness for families—fairness based on the needs of families and their entitlement to choice and to fee paying education.

Mrs Day—With improvements all the time in computer technology it may be possible to go to a more individual approach in the SES model.

Senator ALLISON—For families rather than schools?

Mrs Day—Yes.

Senator ALLISON—I have one last question. The suggestion has been made today that there are substantial problems with removing from the formulae that are to be applied the capacity of the school to fundraise from a whole range of sources. Clearly, you do not accept that, but can you see that there is an argument for some form of capped arrangement so that those schools able to raise huge amounts of money do not also benefit from greater levels of Commonwealth funding? Can you accept any sort of measure which would accommodate the view that wealthier schools will always be able to raise more wealth than poorer schools?

Ms Horton—I would still argue that the concept of wealthy schools needs more exploring. But, no, the principle which I think is being encouraged across education systems in Australia and beyond—the principle of community and local involvement and even sponsorship; maybe using a different term for further funding for education—is part of a trend right now. Our

position would be that, if schools are able to raise additional funds for the needs of the students, they should not be penalised for so doing.

Senator ALLISON—So Melbourne Grammar puts on an art show, attracts artworks from top names, puts on performances and can raise millions in a year. You do not think there is any reason to discriminate against that school on the basis that other schools may be in nothing like the same position to raise money?

Mrs Day—I think that is happening in all sectors—government, Catholic and independent sectors. There are a lots of sponsorships and so on going on everywhere.

Senator ALLISON—I acknowledge it is happening elsewhere, but that is not my question.

Mrs Day—I cannot see the difference between a government school—

Senator ALLISON—I am asking for your comment about the situation of equity.

Something you raise is the review process to look at future inequities. Is this not inequitous?

Mrs Day—I do not think so.

EWRSBE 86 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Ms Horton—It is our view that that is up to each school and that, again, it is the needs of the families going to those schools that is important—families who perhaps are misguidedly being deemed to be wealthy and able to pay when really they are making considerable sacrifices to attend many of the schools.

Senator ALLISON—Thanks, Chair.

CHAIR—In relation to the last question, if schools raised extra funds and then the government took money away to balance that, what effect what that have on fundraising?

Ms Horton—I imagine that people would stop the fundraising; I do not know.

CHAIR—So the net result of all that would be fewer resources in education?

Ms Horton—It is likely to be, yes.

CHAIR—Thank you.

Senator HUTCHINS—Mrs Day and Ms Horton, when you opened you said that 50 per cent of your principals are in the 1 to 4 category, and 50 per cent are in the 5 to 12 category. Of those in the 1 to 4 category, how many would be in boarding schools?

Mrs Day—Quite a number.

Senator HUTCHINS—I do not know whether it is fair to ask you whether you could give us the actual number of your breakdown in membership—above 4, below 4. I wonder how many schools in the 5 to 12 category would be boarding schools?

Mrs Day—I would have to take that on notice.

Senator HUTCHINS—I was following both your statements—particularly yours, Ms Horton—in relation to your questioning of what ‘wealthy’ might mean. I suppose that is a pejorative term for people, and it may be something that others will take up. But I think one of the things you were urging us to do was to speedily deal with this legislation so that particularly you, Ms Horton, as a serving principal, would have a bit of certainty. If we are going to inject, as we have heard may occur as a result of this legislation, more funds into those category schools, possibly the 1 to 4, that are not receiving the money now because of the funding arrangements—taking into account the concerns of the chair about people on the land and also your mention of milk bar owners—and if the Commonwealth provided particularly those 1 to 4 category schools with additional moneys—say, excluding boarders because I imagine they have fixed costs—why wouldn’t it be reasonable for us to assume that you should reduce your school fees?

Ms Horton—Each school will consider its own needs. There are schools that will want to put more into technology resourcing—by that I mean staffing—literacy, numeracy or educational support. Schools will determine their own particular needs. One of the needs might well be a reduction in the level of fee increases. But until there is certainty, schools cannot begin to plan for that.

Senator HUTCHINS—As a serving principal, what would be your priority for these funds that may become available? Would it be to put them into additional resources or to reduce your fees?

Ms Horton—At this stage it would be to put them into resourcing of staffing. Since we have referred to my school, it is a category 2 school, or it was until this year when it was

recategorised to category 3. It is in the north-west of Melbourne, so it serves some areas where people might feel that families, because of their postcodes, are not as socioeconomically well provided for, and I agree. Under the revision, the needs of the families, as happens in most schools, will be much more favourably assessed. We would want to put resourcing particularly into the areas—which may or may not include class size, which is, of course, another factor—of early learning support, educational support, ESL—which is a factor in many areas—and into the resourcing, in terms of the staffing, of technology. I could go on, and you do not want all the details. But to do languages well and to do the VET courses well is all very costly in staffing.

EWRSBE 87 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator HUTCHINS—The point I was making, Ms Horton, was that I imagine that most of your principals will make the decision to put it into resources rather than to reduce school fees, so the struggling milk bar owner or the man from Senator Tierney's land will not see any reduction in how much he or she is contributing to your school. All that might be argued is that some tax has been distributed his or her way that previously went somewhere else.

Ms Horton—I really cannot comment for any other schools. There may be many that decide—and mine might be included, but my board has not had that discussion yet—that a reduction in at least the level of increases may occur, or the money may be allocated to resourcing that has not been there, even though it has been needed.

Senator CROSSIN—On page 3 of your submission, under the heading 'Consultation and review', you say:

Our members have welcomed the extensive consultation that has taken place in this reform process. We have heard from at least two state governments today that they have not been involved in this consultation process, one of which is the Victorian government. Does this concern you?

Ms Horton—Could you just tell me the page number again?

Senator CROSSIN—It is on your page 3, under 'Consultation and review'.

Senator BRANDIS—I do not think that is a very fair question because what has been put to the witness misstates the evidence. The evidence was that there was insufficient consultation or that there were complaints about the level of consultation. That came from both Queensland and Victoria.

Senator HUTCHINS—Mr Chair, I raise a point of order. Let Senator Crossin finish her question first. Then, if Senator Brandis has got something to say, he can raise it then. She has not finished her question.

CHAIR—There is no point of order.

Senator BRANDIS—With respect, the question was finished, and Ms Horton had begun to embark upon an answer. The objection is that what was put to these two witnesses misstated the evidence. The evidence was not that there was no consultation but that there was inadequate consultation in the view of those two governments. What was put to the two witnesses was that Queensland and Victoria had said that there was no consultation. That is just not right.

CHAIR—You might take that into consideration when you are giving your answer.

Senator CROSSIN—Ms Horton, let me rephrase my question to you. You say here that you had extensive consultation. We heard today from the Victorian government that they had less than two hours with DETYA. Given that the Victorian government are also going to be involved in the consequences of the bill, does that inequity in terms of consultation by the Commonwealth government concern you?

EWRSBE 88 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Ms Horton—I would not be able to comment without being fully familiar with what consultation has taken place in each of the bodies to which you are referring. Our members—and this is what we have written here—believe and have appreciated that extensive consultation has been conducted, and that includes not necessarily direct consultation with our members but knowledge that this has been going on and that debate has been heard in the wider community. That is our reference there.

Senator CROSSIN—That is not my question, though. Let me ask you again. Your schools

would receive some funding from the Victorian government. Is that correct?

Ms Horton—Yes, we do.

Senator CROSSIN—Given that they gave evidence today—and you were here listening to them—that they were lucky to have two hours with DETYA about the consequences and the details of this bill, and they in fact gave evidence that they were unaware of what consequences it would have in Victoria because of the lack of detail, does that concern you?

Ms Horton—We would be concerned that there is adequate consultation everywhere, but I guess each body makes its own judgment as to whether it is adequate or not.

Senator CARR—What school are you a principal of?

Ms Horton—Lowther Hall Anglican Grammar School in Essendon.

Senator CARR—Are you able to tell us your SES on the simulation model?

Ms Horton—On the simulation model, our SES has come out I think at 103.

Senator CARR—Are you able to give us an indication of what the advantage to your school will be from this bill?

Ms Horton—I believe that the advantage is likely to be, if it goes through, \$250,000 in the first year and then increasing—that is if it is 103 and on our current enrolments, et cetera.

Senator CARR—Over the four years of the bill, how much will it be?

Ms Horton—That will be \$1 million.

Senator CARR—You believe that the ERI is an inferior measure of the arrangements. Why did you hold that view that the ERI was in fact inferior?

Ms Horton—The ERI has been based on the apparent resources of schools. It has been a very complicated formula. It has not been one that has been very easy for anyone to follow, including principals. My understanding is that, when the question of funding to schools was being reviewed, there was advice sought from people who have far more expertise in appropriate methodologies than certainly our association would do. In comparing the possible options, the ERI appears quite inadequate; the SES appears the most appropriate.

Senator CARR—You are not able to specify why. You are relying on advice from others.

Ms Horton—I am relying on advice from the experts.

Senator CARR—That is fair enough. It is often the case that it is stated that this model is superior to the others, but it is equally difficult to get people to specify why it is superior. We had the Catholic Education Commission and a number of other witnesses here today saying that the SES model is in fact not appropriate by itself. You are saying that that is not the case: that it is an improvement. Can I just draw your attention to advice we have received, for instance, from the Adass Israel School. Were you here before when I read out that particular extract?

Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 89

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Ms Horton—Yes, I heard that read out.

Senator CARR—It says that the model actually concentrates on the neighbourhood, not on the individual family, and that it does not actually measure a whole series of arrangements that occur within families. I actually live in Pascoe Vale so I know your school quite well, and I might say that the people who go to your school will not necessarily be representative of the people in Moonee Ponds, if I might be so bold as to suggest that to you.

Ms Horton—May I be so bold as to say that I might disagree with you.

Senator CARR—Yes, indeed. But if you went to Moonee Ponds Central, I think you would find a different school population from the one that is at your school, would you not?

Ms Horton—Not necessarily.

Senator CARR—They say in this letter that there is in fact a different SES score if you look at the individuals rather than at the model that is being applied by the Commonwealth—that if you take into account social security payments and various other means, you actually get a very different model. What do you say to that proposition, as put forward by Adass Israel School?

Ms Horton—My only comment would be that I would again rely on experts in that area to advise government or otherwise as to the most appropriate model.

Senator CARR—It just strikes me that you seem to be taking a great deal on trust here. Do I read that correctly?

Ms Horton—Let me amplify then. I understand that KPMG, at least—I am not sure if other bodies were involved—provided advice on models. I think we all in our areas rely on the expertise that can be provided by others for whom that is their business.

Senator CARR—Would it not be better to wait to see the detail of the bill and its operation in regard to schools such as yours and others within the non-government sector—to wait until we see how this system operates as distinct from applying, as you have in your case, the calculation based on a simulation project, which gives you \$1 million over four years. I can understand why you would welcome that, but would it not be better for the whole system to see how the operations of this program will actually apply to each school?

Ms Horton—I am not sure why that would give any better picture and I am not quite sure what you mean by ‘wait’. Are you saying that we would conduct the exercise, begin the funding and then see what was happening?

Senator CARR—You will have further confirmation of the precise amounts of money to be paid to your school later this year. Is that the case?

Ms Horton—I do not know.

Senator CARR—At this point you can calculate how much you think you will get under this arrangement.

Ms Horton—On the basis of a simulation, yes.

Senator CARR—Would it not be better to get a clearer picture of how much is going to come to your school by waiting for the specifics of this program?

Ms Horton—The normal pattern with funding is that one budgets each year and then at the actual moment of the census dates, when the statistics are calculated and the actual dollars are calculated, one knows the exact amount. I do not think things would be much different in terms of that process.

EWRSBE 90 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CARR—We are running out of time here. Finally, in terms of the relative wealth of schools, which you have made an issue of, would you regard Scotch College in Melbourne as a wealthy school?

Ms Horton—Again, I know people would expect it to be. But I would question—not necessarily in respect of Scotch College—the basis. If ‘wealthy’ means a school with many fine buildings then Scotch College has many fine buildings, but so do many other schools.

Senator CARR—Would you regard Geelong Grammar as a struggling school, put it that way?

Ms Horton—If it concerns the wealth of the parents involved, and I think that is what we are talking about today in terms of determining that by a new, much more transparent and fair method of assessing the needs of families.

Senator CARR—That is the problem. We have discovered that in terms of the Adass Israel School. It says that it does not assist the needs of families—the model does not apply like that. As you say, you are taking a great deal on trust relying on experts, but when you look at the operations of this model you notice that 65 per cent of the non-government school system is outside the model in the Catholic system and that a further 25 per cent is not part of the system because it is having its funds guaranteed under the ERI.

Ms Horton—For the first period.

Senator CARR—Yes, for the first period. But is there not a guarantee in this bill that there will be no loss of moneys to non-government schools? Would that not be a fair conclusion to draw?

Ms Horton—Yes, I think it is.

Senator CARR—Therefore, it actually only applies to a very small number of schools. How robust a formula do you think that is?

Ms Horton—I do not think that the number of schools to which it applies relates to how robust the formula is. It is applying to the 10 per cent, or whatever figures you are quoting at this stage. I think there is a principle of no disadvantage that is established not only in funding but also elsewhere, and it is fair that that applies at first. As far as the Catholic schools are concerned, that was an arrangement made which should be honoured.

Senator CARR—It is an arrangement made rather than the application of the formula.

Ms Horton—I may have used the wrong words.

Senator CARR—That is not an unfair representation—we were told it was a product of negotiation. In terms of the equity, if you have 5.6 per cent of students at category 1 receiving between \$40 million and \$50 million and 65 per cent of students in the Catholic education system receiving only \$100 million, how equitable is that?

Ms Horton—We are still talking about the equity and fairness for the families. Right now we are talking about the families at our schools. By the way, I would welcome your visit to my school to find out more about it. You might be very surprised.

Senator CARR—I am sure I would be. I will take you up on your offer at some point. I understand that there are a number of schools in the immediate vicinity of yours which are in sharp contrast to the schools across the railway tracks—literally across the railway track. I would like to see Moonee Ponds Central with an extra million dollars.

Ms Horton—But the families are not in sharp contrast, and it is the needs of the families.
Tuesday, 22 August 2000 SENATE—*Legislation* EWRSBE 91

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator CROSSIN—Ms Horton, I just want to ask one final question. I preface my question with the fact that I spent nine years of my life at St Columba College.

Ms Horton—Good.

Senator CROSSIN—Is it correct that you would say this bill is fair and equitable?

Ms Horton—We would probably use those words. I think someone earlier today said that there is probably no ideal model. What we believe has been placed before parliament is the fairest methodology for funding schools that is available.

Senator CROSSIN—This bill gives \$22 billion to government and non-government schools as well as your school, for example. You have just given us evidence today that, out of the simulation model, your school will get \$1 million. If I put it to you that there is no provision for secondary education for rural and remote—particularly Aboriginal children—at all outside of the five regional centres in the Northern Territory, do you think this is a fair model?

Ms Horton—In a sense, one is not related to the other. Whatever the needs are for funding in your area, one hopes that would be applied. But, since you used my school as an example, with respect to the \$1 million, all that is being said by this methodology is that the families in my school have been disadvantaged for a long time.

Senator CROSSIN—Families of Aboriginal kids in the Northern Territory have been disadvantaged for many years, and this bill does not deliver them one extra dollar.

Ms Horton—AHISA hopes that families in Aboriginal communities and families in all schools in Australia are being well funded in Australian education.

Senator CROSSIN—I am putting it to you that this bill does not deliver them one extra dollar. This bill will not see any provision of secondary education at all in rural and remote Northern Territory, let alone an additional \$1 million on top of what they already get.

Ms Horton—I do not know enough about the Commonwealth and territory funding arrangements in your area to comment on that.

Senator ALLISON—We are making something of a case study of your school—

Ms Horton—We did not intend to.

Senator ALLISON—But I think it is useful for the committee to have a case study. Can you tell us how many students there are in your school?

Ms Horton—I think there are 642.

Senator ALLISON—In order to judge where the school sits, what is the average amount spent by your school on every student?

Ms Horton—I could not give you a precise figure today.

Senator ALLISON—Or even a rough one?

Ms Horton—No, I could not give you a precise figure without checking.

Senator ALLISON—Could you take it on notice?

Ms Horton—I really did not intend to be speaking about my own school today; otherwise I would have brought figures with me.

Senator ALLISON—I understand.

EWRSBE 92 SENATE—*Legislation* Tuesday, 22 August 2000

EMPLOYMENT, WORKPLACE RELATIONS, SMALL BUSINESS & EDUCATION

Senator BRANDIS—I, too, want to touch on the equity issue. I notice at the top of the third page of your submission you observe that there is a widening of the income groups accessing independent schools. Do I read that to be an observation that the accessibility of independent schools to people of lower income groups is greater now than has hitherto been the case.

Mrs Day—Yes, it is. And we have found in our association that there has been an increase of low-fee schools joining the association in the last four years.

Senator BRANDIS—And that necessarily is a function, among other things, of the exercise by parents of a choice to pay the extra money and perhaps to work a bit harder to get the extra money to send their children to those schools?

Mrs Day—Yes, I would think so.

Senator BRANDIS—Like Senator Hutchins, I am interested in the effect of the bill upon accessibility. I do not think anybody here believes that independent schools, even the most well-resourced independent schools, should be enclaves for the wealthy. Is the effect of this bill likely to be to make independent schools including, to use a slightly loaded expression, the most elite of the independent schools more accessible down the income levels?

Ms Horton—I am quite sure it is and I am quite sure that another area to which I have not referred, although I alluded to it in terms of, say, Geelong Grammar or whichever school it was—the idea of more bursaries or scholarships to enable people to be able to come to these schools if they wish to—is certainly one of the other possible options.

Senator BRANDIS—Would you agree with me that undesirable levels of social inequality are going to be reinforced by making the most elite schools unreachable to people of relatively modest means, but those social inequalities are more likely to be addressed by making those schools more accessible?

Ms Horton—They are, yes.

Senator BRANDIS—In terms of social justice and equality of opportunity, is it your view that this bill serves that objective?

Ms Horton—It ought to go some way to serving that objective, yes.

CHAIR—I thank the witnesses for appearing. The committee stands adjourned until 9 a.m. tomorrow morning.

Committee adjourned at 5.07 p.m.

ATTACHMENT 2

A Fair Australia Education Policy *ACTU CONGRESS 2003*

SCHOOLS AND PRESCHOOLS

1. The ACTU believes that education is an investment in the nation's future intellectual, social and economic well being and should be seen as fundamentally serving the common good of the Australian community rather than sectional interests or individual advantage. Education is vitally important for achieving a fairer and more equitable society and must be funded at levels which can redress the increasing gap between resource levels and students' educational needs.
2. Schools are important social institutions in which Australian children engage with and learn about their fellow citizens and come to acknowledge and appreciate their differences, beliefs and values.
3. Commonwealth and State/Territory governments must fund the public system to cater for all Australian children including those in small, rural, isolated, poor and disadvantaged communities, and Non English Speaking Background and Aboriginal and Torres Strait Islander communities. The Australian community expects the public education system to be comprehensive and properly resourced and to set the benchmark community standard for the provision of education for all Australian school students.
4. The ACTU believes the Commonwealth has a central leadership role and responsibility in planned educational provision on the basis that new government and non-government schools should not threaten the viability and stability of existing schools. New non-government schools should be required to demonstrate initial and continuing financial and educational viability and be subject to rigorous accountability and reporting mechanisms.

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Inserted: The diversity which characterizes Australia's schooling is a strength of the Australian education system.

5. Both government and non-government systems and school authorities must provide all students with access to high quality education in order that they achieve across the range of educational outcomes set out in the National Goals of Schooling, regardless of the school they attend.

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6. The Commonwealth's investment in schooling is marked by inequity and confusion, largely the result of the Federal Government's SES funding regime for non-government schools, introduced in 2000. This policy has delivered some of the largest increases in public funding to some of the best resourced schools in Australia and consequently has abandoned the broad community consensus that non-government schools should be funded on the basis of need. The ACTU is opposed to the renewal of the *States' Grants Act* in its current form and supports the ALP and other opposition parties amending the Bill when introduced to direct public expenditure towards greater equity and accountability in funding based on the Ministerial Council for Employment, Education and Training, Youth Affairs (MCEETYA) Principles.

7. Commonwealth expenditure on public schools, TAFE colleges and universities has been inadequate under the Federal Government, with serious adverse implications for the nation's long-term economic prospects. While State and Territory Governments are the major providers of funding to government schools, the Federal Government's percentage increases to government schools have not kept pace with those to non-government schools. Virtually all the increases in Federal funding for government schools are due to supplementation for cost increases, based on increases in an index of average per student recurrent costs in government schools - which arise from past State and Territory budget decisions.

8. The ACTU supports the current MCEETYA initiated pilot study, particularly if the outcomes hold the promise of a more fairly constructed general index for funding purposes. The pilot study seeks to more carefully distinguish the actual costs of providing schooling that are needed to meet the national benchmarks for learning.

9. To give reality to the MCEETYA Principles, as outlined below, the outcomes of the pilot study should inform a broad inquiry conducted by the Schools Resourcing Taskforce of the total resources available to all schools, both government and non-government. This should then lay an equitable basis for ALP policy and for a revised formula and amended *States Grants Act* in the future. This should take account of the socio-demographics of the student populations concerned and the impact of Federal State and Territory funding arrangements over the last decade.

10. The ACTU supports a comprehensive reform program with significant increased investment in education to ensure that Australia becomes a high skill, high value added nation, including:

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<#> Senate Enquiry research in 2002, supported by all parties, found that on average public schools are now operating on levels of total resources below the average of those in non-government schools. Elite private schools continue to receive Commonwealth subsidies which are not justifiable when public funds for government schools are falling relative to non-government schools. ¶
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<#>6.2 The schools funding model introduced by the Howard Government has operated to further increase educational inequality at the expense of the majority of students, principally the 70% in public schools and colleges. The ACTU is opposed to the renewal of the *States' Grants Act* in its current form and supports the ALP and other opposition parties amending the Bill when introduced to direct public expenditure towards greater equity and accountability in funding based on the MCEETYA Principles.¶

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- (a) Raising public expenditure on education from the current level to achieve the UNESCO recommended level of 6% of GDP.
- (b) A partnership between the States and Territories and the Federal Government to ensure that all Australian children have access to at least one year of high quality free pre school education before entering school.
- (c) An acceptance by the Commonwealth that it has responsibility for public schools as a national priority within a comprehensive funding policy. State and Territory Labor ministers for education through MCEETYA have established a framework of principles for funding schools in both sectors which is a complementary approach involving both levels of government. The Commonwealth Education Minister has refused to endorse these national principles. These principles are:
 - (i) the total level of resources available for schooling is adequate so that achievement of the National Goals for Schooling is a realistic objective for all students,
 - (ii) public funding across different schools and sectors is distributed fairly and equitably through a consistent approach to assessing student needs and through having regard to the total level of resources available for students,
 - (iii) the total level of funding for government schooling is adequate to ensure access to high quality government schooling for all, and all governments' funding policies recognize this as a national priority,
 - (iv) resourcing for all students is adequate for meeting the National Goals, notwithstanding the school or school sector they attend, and
 - (v) public funding for schooling supports the right of families to choose non-government schooling and supports non-government schools on the basis of need, within the context of promoting a socially and culturally cohesive society and the effective use of public funds.
- (d) A commitment by the Commonwealth and States to this co-operative framework being a more equitable approach than the current Federal Government formula.
- (e) Consideration of the Connors Report for the ACT Government which also provides a basis for the development of government responsibility around principles that recognise:

Deleted: Expenditure on our public schools, TAFE colleges and universities has been inadequate under the Howard government, with serious adverse implications for the nation's long-term economic prospects. For the first time, Commonwealth expenditure on private schools exceeded that on universities in the 2003 Budget. Senate inquiry research in 2002, supported by all parties, found that on average public schools are now operating on levels of total resources below the average of those in non-government schools. Elite private schools continue to receive Commonwealth subsidies which are not justifiable when public funds for government schools are falling relative to non-government schools.

¶

<#>3. The ACTU supports a comprehensive reform program with significant increased investment in education to ensure that Australia becomes a high skill, high value added nation, including:¶

<#>¶

<#>Raising public expenditure on education over time from the current level to the OECD average of 5.2%, increasing the education budget by around \$6 billion, with a target to achieve the UNESCO recommended level of 6% of GDP.¶

<#>¶

<#>A partnership between the states and territories and the Commonwealth Government to ensure that all Australian 4 year olds have access to a high quality free pre-school education before entering school;¶

<#>¶

<#>An acceptance by the Commonwealth that it has responsibility for public schools as a national priority within a comprehensive funding policy. State and Territory Labor Ministers for Education through MCEETYA have established a framework of principles for funding schools in both sectors which is a complementary approach involving both levels of government. These principles are:¶

<#>¶

- (i) its primary obligation in education for the provision of high quality public schooling accessible to all children and young people;
 - (ii) the respective roles and obligations of government and communities as funding partners in non-government schooling; and
 - (iii) the distinctive and the shared purposes of schooling in the public and the non-government sectors and the need for a complementary relationship between them.
- (f) Targeted programs to address the needs of disadvantaged and special needs schools and communities where disadvantage is endemic.

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INDIGENOUS EDUCATION

11. Aboriginal and Torres Strait Islander peoples are the First Nations peoples of Australia, and as such, have a distinct and inalienable set of rights. The right to education is one of these.
12. The ACTU acknowledges that the education system has played a crucial role in the oppression of Aboriginal and Torres Strait Islander peoples, through the denial of opportunities, the reinforcement of racial stereotypes, the lowering of expectations and quality, the exclusion of participation, and the reinforcement of cultural and political values which are ultimately alien to the original inhabitants of this land.
13. The ACTU recognises the right of Aboriginal and Torres Strait Islander peoples to achieve within the same range of educational outcomes as non-Indigenous students and consequently the need to position and prioritise Aboriginal and Torres Strait Islander educational policy to bring this objective about.
14. The ACTU also recognises that industrial and workers' rights are human rights and that Aboriginal and Torres Strait Islander people are entitled to have the same access to education and training and employment as all other Australian citizens and to be part of, and have the support of, the trade union movement.
15. The ACTU:
 - (a) Is committed to ensuring that all Aboriginal and Torres Strait Islander peoples have the right to high quality education throughout their lives. Quality is characterised by appropriate student teacher

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ratios and group sizes, appropriately qualified and trained teachers and education workers, and enriching, well equipped, caring and secure environments.

- (b) Is committed to the process of National Reconciliation through education as part of a comprehensive strategy to redress the profound and continuing legal, political, social and economic disadvantage experienced by Aboriginal and Torres Strait Islander peoples. We believe that in the first instance this must include a recognition of, and responsibility for, the causes underlying such disadvantage including the dispossession of land, racism and government policies of family separation, assimilation and welfare dependency.
- (c) Affirms its conviction to value the diversity of the cultures and forms of social organisation of Aboriginal and Torres Strait Islander peoples, and commits its members to the educational development of Aboriginal and Torres Strait Islander peoples in light of the imperative contribution that Aboriginal and Torres Strait Islander peoples make to the socio-economic, cultural and environmental advancement of Australian society.
- (d) Recognises that schools play an important role in the construction, critique and transmission of social values. Fundamental to that process is the responsibility to develop a knowledge and understanding of the history of Australia, including the history of relations between non-Indigenous Australians and Aboriginal and Torres Strait Islander peoples.
- (e) Believes that education systems and institutions, teachers and support staff have a vital leadership role and obligation to practise and promote the ideal of racial equality and to develop and implement anti-racist education and sanctions against racial discrimination, prejudice and harassment when they occur in the school community.
- (f) Is committed to the principles of self-determination and self-management for Aboriginal and Torres Strait Islander peoples, and asserts the fundamental democratic right of Aboriginal and Torres Strait Islander peoples to be involved in decision making to enable them to attempt to rectify the history of neglect of Aboriginal and Torres Strait Islander peoples by both Federal and State/Territory Governments. This right must be applied in all areas of decision making, including educational decision making.
- (g) Emphasises the important role of cooperation and partnerships between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander Australians in promoting and

implementing the goals and activities of Aboriginal and Torres Strait Islander peoples.

16. Therefore, the ACTU will:

- (a) support the implementation of the principles of self-determination and negotiation, as appropriate, with employing authorities, Aboriginal Education Consultative Groups and the local Aboriginal and Torres Strait Islander communities to address considerations as they emerge, and to safeguard the rights of teachers and students; Formatted: Bullets and Numbering

- (b) support advocacy for the development of inclusive curricula either by, or in collaboration with, relevant Aboriginal and Torres Strait Islander peoples and groups, which presents all aspects of Aboriginal and Torres Strait Islander cultures from times prior to the invasion, to the present, across all curriculum areas; Formatted: Bullets and Numbering

- (c) support the increase of employment of Aboriginal and Torres Strait Islander peoples across all education sectors, across all levels of the sectors, and give particular priority to ensuring that Aboriginal and Islander Education Workers (AIEWs) are employed under an award structure which provides career path and professional development opportunities and employment security, and remunerates them for the specific sets of skills and knowledge that they bring to the educational setting; Formatted: Bullets and Numbering

- (d) support the position that States and Territories make a commitment to ongoing resourcing and permanency of AIEW positions that is not dependent on: Formatted: Bullets and Numbering
 - (i) supplementary educational funding provided by the Commonwealth, such as the Indigenous Education Strategic Initiatives Program (IESIP), or
 - (ii) other community-based Commonwealth provided fund sources, such as the Community Development Employment Programme (CDEP);

- (e) support and work with Aboriginal and Torres Strait Islander peoples and State and Territory Governments to lobby for the development of appropriate recruitment and selection processes for teachers working with Aboriginal and Torres Strait Islander peoples, and in Aboriginal and Torres Strait Islander communities; Formatted: Bullets and Numbering

- (f) support the position that all teachers and educators employed in all educational institutions in Australia must have completed Indigenous Studies as a minimum requirement for their employment; and Formatted: Bullets and Numbering

- (g) support the maintenance and continued use of Aboriginal and Torres Strait Islander languages as a part of the curriculum for all Australians, but particularly Aboriginal and Torres Strait Islander peoples.

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POST COMPULSORY

17. The role of post compulsory education in ensuring that Australia becomes a high skill, high value-added nation is fundamental and requires:
- (a) Lifting the completion rate of post-compulsory schooling and training by all as a national objective including by the provision of quality articulated programs of vocational education and training in schools.
 - (b) Guaranteed access to vocational education for young people and existing workers and their families by:
 - (i) developing a National Plan for TAFE,
 - (ii) increasing federal growth funding to fund at least the average 5.9% per annum enrolment growth experienced over the last decade,
 - (iii) providing additional federal funding to address unmet demand, quality improvement, equitable access and to redress existing resource pressures,
 - (iv) providing a 'youth training guarantee', and
 - (v) ensuring that the training needs of existing workers are met including programs to redress inequitable outcomes of Indigenous and disadvantaged socio-economic groups.
 - (c) Ensuring that HECS is not extended to TAFE and that employers are encouraged to invest more in structured education and training leading to nationally recognized qualifications.
 - (d) Ensuring the quality of our university education through increased public funding, lifting the government expenditure on higher education by \$1 billion per year with a target of achieving the OECD average public expenditure on higher education by 2020, and creating mechanisms which ensure that grants are adequately indexed for movements in costs such as wages and recurrent expenditure on libraries and infrastructure.
 - (e) Ensuring the accessibility of higher education through increasing the number of fully funded places within universities and lowering the burden to students and their families through lower fees and higher income thresholds for their repayment.

- (f) Ensuring that those most disadvantaged in our society, such as young people from low socio-economic backgrounds, older workers seeking to re-skill and Aboriginal and Torres Strait Islander people are provided with the necessary support from universities, TAFE institutes and governments to lift their educational achievements and thereby be provided with increased opportunities for employment.
 - (g) A commitment to fund the ongoing education and training of all Australians throughout their lives to meet the changing social and economic circumstances they will encounter in a knowledge society.
18. The ACTU calls for a commitment from all political parties to develop Australia as a high skill, high value-added nation. The future of employment levels, living standards and national development will depend on the skills and ability of workers to participate in high value-added competitive enterprises.
19. The ACTU is committed to boosting the number of traineeships and apprenticeships. Accordingly, we support:
- (a) provision of higher levels of public funding from Federal and State governments to TAFE;
 - (b) the introduction of a properly policed training levy on those employers who do not make an effort to train employees in their industry;
 - (c) new marketing arrangements which explain the practical industry and enterprise benefits of embracing structured training;
 - (d) additional government assistance to provide for capital costs for group training companies in the areas of establishment expenses, plus assistance with wage payment cash flow problems and market penetration costs;
 - (e) industry skill centres for the upgrading of skills of current industry employees to higher levels; and
 - (f) ensuring that government procurement and infrastructure project contracts require that suppliers or contractors by obligation carry their training responsibility.
20. The ACTU will also support action to:
- (a) improve the profile and depth of the auditing of training providers so as to maintain and improve the quality of training provisions;

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- (b) introduce practical Recognition of Prior Learning opportunities for existing workers;
- (c) ensure that existing workers without vocational qualifications have access to government funding to assist with structured training leading to a recognised qualification; and
- (d) work to better integrate VET in schools with the mainstream vocational training system and particularly TAFE.

RESEARCH AND DEVELOPMENT

21. Research and development activities are at the heart of our social, cultural and economic development. Government plays a key role in providing broad funding for all research, including incentives for business to invest in research and development. However, Australia has a poor record of investing in R&D. According to the latest ABS statistics, the Government Expenditure on R&D (GERD) is well below the average level within the OECD, with Australia 12th out of 17 OECD countries. Universities are the largest research organizations, and some 49% of all research takes place in universities. Government also funds other public sector research agencies such as the CSIRO, ANSTO, AIMS and DSTO, but in these areas Government has cut spending and reduced their investment in research workers by near 10%.
22. Sustaining Australia’s research capacity in basic and applied research depends upon Government lifting its expenditure across all areas of public sector research, including universities and providing increased support for postgraduate research education. Building research skills across all levels of our education system will enhance a culture of research and innovation.

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Deleted: 8. Indigenous Education

¶
 Aboriginal and Torres Strait Islander peoples are the First Nations peoples of Australia, and as such, have a distinct and inalienable set of rights. The right to education is one of these. ¶

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 The ACTU acknowledges that the education system has played a crucial role in the oppression of Aboriginal and Torres Strait Islander peoples, through the denial of opportunities, the reinforcement of racial stereotypes, the lowering of expectations and quality, the exclusion of participation, and the reinforcement of cultural and political values which are ultimately alien to the original inhabitants of this land. ¶

¶
 The ACTU recognises the right of Aboriginal and Torres Strait Islander people to achieve within the same range of educational outcomes as non-Indigenous students and consequently the need to position and prioritise Aboriginal and Torres Strait Islander educational policy to bring this objective about. ¶

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 The ACTU also recognises that industrial and workers’ rights are human rights and that Aboriginal and Torres Strait Islander people are entitled to have the same access to education and training and employment as all other Australian citizens and to be part of, and have the support of, the trade union movement. ¶

¶
 8.1 The ACTU:¶

¶
 <#>Is committed to ensuring that all Aboriginal and Torres Strait Islander peoples have the right to high quality education throughout their lives. Quality is characterised by appropriate student teacher ratios and group sizes, appropriately qualified and trained teachers and education workers, and enriching, well equipped, caring and secure environments.¶

¶
 <#>Is committed to the process of National Reconciliation through education as par ... [1]

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8. Indigenous Education

Aboriginal and Torres Strait Islander peoples are the First Nations peoples of Australia, and as such, have a distinct and inalienable set of rights. The right to education is one of these.

The ACTU acknowledges that the education system has played a crucial role in the oppression of Aboriginal and Torres Strait Islander peoples, through the denial of opportunities, the reinforcement of racial stereotypes, the lowering of expectations and quality, the exclusion of participation, and the reinforcement of cultural and political values which are ultimately alien to the original inhabitants of this land.

The ACTU recognises the right of Aboriginal and Torres Strait Islander people to achieve within the same range of educational outcomes as non-Indigenous students and consequently the need to position and prioritise Aboriginal and Torres Strait Islander educational policy to bring this objective about.

The ACTU also recognises that industrial and workers' rights are human rights and that Aboriginal and Torres Strait Islander people are entitled to have the same access to education and training and employment as all other Australian citizens and to be part of, and have the support of, the trade union movement.

8.1 The ACTU:

Is committed to ensuring that all Aboriginal and Torres Strait Islander peoples have the right to high quality education throughout their lives. Quality is characterised by appropriate student teacher ratios and group sizes, appropriately qualified and trained teachers and education workers, and enriching, well equipped, caring and secure environments.

Is committed to the process of National Reconciliation through education as part of a comprehensive strategy to redress the profound and continuing legal, political, social and economic disadvantage experienced by Aboriginal and Torres Strait Islander peoples. We believe that in the first instance this must include a recognition of, and responsibility for, the causes underlying such disadvantage including the dispossession of land, racism and government policies of family separation, assimilation and welfare dependency.

Affirms its conviction to value the diversity of the cultures and forms of social organisation of Aboriginal and Torres Strait Islander peoples, and commits its members to the educational development of Aboriginal and Torres Strait Islander peoples in light of the imperative contribution that Aboriginal and Torres Strait

Islander peoples make to the socio-economic, cultural and environmental advancement of Australian society.

Recognises that schools play an important role in the construction, critique and transmission of social values. Fundamental to that process is the responsibility to develop a knowledge and understanding of the history of Australia, including the history of relations between non-Indigenous Australians and Aboriginal and Torres Strait Islander peoples.

Believes that education systems and institutions, teachers and support staff have a vital leadership role and obligation to practise and promote the ideal of racial equality and to develop and implement anti-racist education and sanctions against racial discrimination, prejudice and harassment when they occur in the school community.

Is committed to the principles of self-determination and self-management for Aboriginal and Torres Strait Islander peoples, and asserts the fundamental democratic right of Aboriginal and Torres Strait Islander peoples to be involved in decision making to enable them to attempt to rectify the history of neglect of Aboriginal and Torres Strait Islander peoples by both Federal and State/Territory Governments. This right must be applied in all areas of decision making, including educational decision making.

Emphasises the important role of cooperation and partnerships between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander Australians in promoting and implementing the goals and activities of Aboriginal and Torres Strait Islander peoples.

1.9 Therefore, the ACTU will:

support the implementation of the principles of self-determination and negotiation, as appropriate, with employing authorities, AECGs and the local Aboriginal and Torres Strait Islander communities to address considerations as they emerge, and to safeguard the rights of teachers and students.

support advocacy for the development of inclusive curricula either by, or in collaboration with relevant Aboriginal and Torres Strait Islander peoples and/or groups, which presents all aspects of Aboriginal and Torres Strait Islander cultures from times prior to the invasion, to the present, across all curriculum areas

support the increase of employment of Aboriginal and Torres Strait Islander peoples across all education sectors, across all levels of the sectors, and give particular priority to ensuring that Aboriginal and Islander Education Workers

(AIEWs)¹ are employed under an award structure which provides career path and professional development opportunities and employment security, and remunerates AIEWs for the specific sets of skills and knowledge that they bring to the educational setting;

support the position that States and Territories make a commitment to ongoing resourcing and permanency of AIEW positions that is not dependent on supplementary educational funding provided by the Commonwealth, such as the Indigenous Education Strategic Initiatives Program (IESIP) or on other community-based Commonwealth provided fund sources, such as the Community Development Employment Programme (CDEP);

support and work with Aboriginal and Torres Strait Islander peoples and State and Territory Governments to lobby for the development of appropriate recruitment and selection processes for teachers working with Aboriginal and Torres Strait Islander peoples, and in Aboriginal and Torres Strait Islander communities;

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support the position that all teachers and educators employed in all educational institutions in Australia must have completed Indigenous Studies as a minimum requirement for their employment; and

support the maintenance and continued use of Aboriginal and Torres Strait Islander languages as a part of the curriculum for all Australians, but particularly Aboriginal and Torres Strait Islander peoples.

¹ Aboriginal and Torres Strait Islander Education Workers refers to Aboriginal and Torres Strait Islander Teacher Aides, Aboriginal and Torres Strait Islander Teacher Assistants, Community Teachers, Home/School Liaison Officers, Homework Centre Workers and other workers as defined in the AEU federal AIEWs log of claims