

**SENATE ENQUIRY SUBMISSION
STATES GRANTS (PRIMARY AND SECONDARY EDUCATION
ASSISTANCE) BILL 1996**

1. INTRODUCTION

- 1.1 The Independent Education Union of Australia (IEU) appreciates the opportunity to put its views to the Senate Legislation Committee on Employment, Education and Training regarding the States Grants (Primary and Secondary Education Assistance) Bill 1996.
- 1.2 The IEU is the federally registered organisation which represents the industrial and professional interests of teachers and school officers in all non-government education institutions across Australia. It has a current membership of approximately 42,000 members.
- 1.3 The union has a strong interest in Commonwealth funding policy with regard to its impact on the operations of non-government schools in that it fundamentally affects the education of students and the professional and industrial lives of education workers in non-government schools.
- 1.4 This submission is concerned in particular with budget policy decisions taken by the government which:
 - provide for the abolition of the existing New Schools Policy legislation;
 - implement an initiative referred to as the Enrolment Benchmark Adjustment.

2. PREVIOUS SUBMISSIONS & REPRESENTATION

- 2.1 The IEU has made submissions to a substantial number of government reviews and committees of enquiry regarding education and funding policy and programs. For instance, most recently, and relevant to the matters for this enquiry, the IEU made written submissions and appeared before this Committee regarding the reference on the Accountability in Commonwealth-State Funding Arrangements in Education. (Attachment 1)
- 2.2 The Hansard report (Attachment 2) of the IEU's appearance before this Committee in July 1994 regarding Accountability in Commonwealth-State Funding Arrangements in education gives a potted history of government funding of schools both public and private since the 1960's.
- 2.3 A central point of that historical overview is that compared with other international models of operation of the public and private sectors and in the context of one of the most vigorous and divisive debates in Australian history - the state-aid debate of the 70s and 80s - what has been achieved is a settlement of the various and diverse interests which embodies some compromises from all of the interest groups involved in education. It should be noted that a very substantial proportion of the recurrent funding

for non-government schools from 1975 to the present represents salaries for education staff in the sector. All non-government education systems are now on award salaries comparable to those in the public sector, and work is still being done to achieve conditions comparability.

- 2.4 Out of those compromises has emerged valuable and important partnerships, very sophisticated lobbying capacities on the part of various stakeholders and interest groups and a general acceptance of the need to find the right balance of all the interests engaged in the public and private systems of Australian education.
- 2.5 The IEU has also made submissions to the McKinnon Review of the New Schools Policy. (Attachment 3)
- 2.6 The contested views and values about the character and form of Australian education is referred to in the opening paragraphs of the final report of the Review of the New Schools Policy.

"Modern Australia has embraced competing plural values - efficiency, choice, excellence and competition, as well as equality, equity, access and inclusiveness. Our social policies reflect the interaction and on-going debate about the priorities among those values. There is no immediate likelihood of definitive resolution. Tolerance is probably the main cementing value. Moreover, current policies often exhibit inconsistency in difference spheres of Australian life.

Schooling is one such sphere, with some evidence of all of these values, but no consistency or resolution on questions of relative priorities. Different levels of government have reached different answers, further complicating the scene. Moreover, what you see is not necessarily what you get. The real values may be obscured by administrative processes inconsistent with the stated rationale."

(p.1)

The report goes on to argue that

"Thus while strong claims can be made for common public schooling, a claim that only those schools can be the legitimate guardians of common universalising and democratic ideals goes too far. Traditional arguments that the establishment of new non-government schools must only be a concession rather than a right because they espouse values that weaken the universalising and democratising importance of public systems, are not well founded. The overwhelming majority of those schools do teach common values.

But that conclusion is not simultaneously to argue equivalence of non-government schools for establishment or funding purposes. The roles of the two sectors are not equivalent. Nor does that conclusion mean there are not fundamental reasons for concluding that the availability of government schools is still a central issue, justifying careful planning of the establishment of new non-government schools. To explore those reasons it

is necessary to refer to each of the role of the public system and the role of choice in more detail."

(p.6)

- 2.7 As evident from the attached IEU submission to the New Schools Policy Review, the IEU is on record as supporting Planned Educational Provision, involving closely co-ordinated joint planning by Commonwealth, State and non-government school/system authorities.
- 2.8 The submission argued for the need for evidence of both initial and continued financial viability on the part of interest groups/authorities seeking public funds to establish a new school. The IEU believes that it is important that scant resources are prioritised to ensure their maximum effect.
- 2.9 The union has also participated on a number of reference, advisory and steering committees concerning the implementation of education and funding policy.
- 2.10 Relevant to the deliberations of this Committee, the IEU participated on the National Equity Program for Schools Advisory Committee (NEPSAC), the reference group established for the evaluation of selected aspects of the General Recurrent Grants Program, and the NBEET Schools Council from its establishment in 1989 which had references from the Minister of the day to give advice on a number of funding policy issues such as the Broadbanding of Targeted Programs and Commonwealth Funding Scenarios for Government Primary schools.

3. CURRENT POLICY CONTEXT

- 3.1 Over the past two years, national policy in a range of areas has been underpinned by a number of key studies such as the Hilmer report, the Review of Commonwealth/State Service Provision and the National Commission of Audit, as well as the agendas being pursued through the COAG forum.
- 3.2 The IEU is concerned that in pursuing what the government sees as education policy reform in light of these reports and reviews, little attention is being given to the need to consult with the key stakeholders in the education community to ensure that the broad consensus and partnership model which has been built over the past twenty years is not jeopardised and undermined.
- 3.3 It is our view that there exists strong consensus within the community that the re-emergence of the state-aid debate would serve the interests of very few, and would be antithetical to the educational needs of students and to high quality teaching and learning.
- 3.4 While there were stakeholders who opposed a number of the recommendations arising from the final report of the New Schools Policy Review, what can be said was that the review process was a comprehensive one - it was inclusive, took place over a period of time which permitted

extensive consultation both with the review team and between and within stakeholder groups and was transparent. The IEU supports such a model and urges the government to continue such an approach for policy development and implementation.

- 3.5 While the IEU acknowledges that the abolition of the existing New Schools Policy from the legislation is consistent with the government's stated election policy, the initiative referred to as the Enrolment Benchmark Adjustment was not, and consequently, there is a growing level of disquiet and division within the education community about the implications of these major policy changes.

4. KEY IEU POLICY PRINCIPLES

4.1 The attached IEU submissions reflect key policy principles which the IEU believes are important in ensuring continuing stability and consensus concerning the policy direction of Australian education. These are:

- the IEU supports a dual system of education whereby parents have choice between schools in both the government and non-government sectors;
- both government and non-government systems and school authorities should receive sufficient levels of government financial support which guarantee a high quality education to all Australian students, whether they attend a government or non-government school;
- the IEU believes it is essential for Australia to have a strong and viable government school system, funded directly by both Commonwealth and State governments and which offers a high standard of educational service to all children, regardless of their background. The IEU has always advocated that the development of one sector should not be at the expense of the other;
- that 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. This comprehensiveness across both the government and non-government systems is a great strength of the Australian education system and should be preserved;
- the IEU believes the Commonwealth has a central leadership role and responsibility in planning and ensuring that both government and non-government school authorities have the capacity and the resources to provide educational services of the highest quality, and that rigorous accountability – reporting mechanisms are in place.

5. THE CURRENT LEGISLATION

5.1 New Schools Policy

- 5.1.1 The IEU generally supports the recommendations in the final report of the Review of the New Schools Policy, and believes that they reflect an understanding and accommodation of the contested values and philosophies which have been part of Australia's education history.
- 5.1.2 If inclusion of the recommendations into the legislation is unacceptable to the government, the IEU believes that other options should be considered to ensure that the planned provision of education occurs. The IEU suggests the following options:
- that the Commonwealth legislation include accountability provisions which require not only information about student outcomes but also require the recipients of Commonwealth funding, both state and non-government schooling authorities, to be able to demonstrate compliance with negotiated and agreed benchmarks. The IEU believes that models exist in other areas of Commonwealth legislation, where recipients of Commonwealth funds are required to comply with arrangements set out in formal agreements negotiated between the Commonwealth and State and Territory authorities;
 - that the Commonwealth requests MCEETYA to broker a common set of guidelines or a co-operative national framework which sets out a nationally consistent approach to the planning, funding and operation of new government and non-government schools, and yet also provides for specific local variation. Consistent with MCEETYA practice, consultation with the non-government sector needs to occur;
 - that agreement is reached with the States and Territories (or the legislation requires it) that the state registration provisions for new schools include the establishment of a Joint Planning Committee as currently operates in South Australia and the Northern Territory (ie. chaired by the State Minister with government, Catholic and independent representatives and other stakeholder interests as determined);
- 5.1.3 From the union's point of view, an important criteria for registration and receipt of public funding is the employment of properly qualified staff and compliance with the relevant industrial laws. The IEU will agitate and participate in processes at the State level to see planning and regulatory procedures are implemented, which are comparable to the requirements of Planned Educational Provision and minimum enrolments;
- 5.1.4 Over the years, the IEU has had to deal with circumstances where a new school has not sustained financial viability and has gone into receivership. Staff have not been paid, and accrued entitlements such as long service leave and superannuation have been lost. There are also examples of small schools of different creeds and philosophies which operate by virtue of staff not receiving award

rates of salary and conditions. Such practices are industrially exploitative and compromise fair competition and choice, principles which the present government argues should underpin private enterprise and the free market.

5.2 Enrolment Benchmark Adjustment

- 5.2.1 The IEU reiterates its view that the introduction of this policy without declaring it part of the Coalition's election platform or without any process of consultation or public debate has been unhelpful and counterproductive.
- 5.2.2 The IEU believes that the Commonwealth government should fund State governments at a level which guarantees high quality education. The funding should be on the basis of need, on the number of students in government schools, and on the cost to provide appropriate capital and recurrent resources. While there should be a legislative regime which ensures stability of funding, there should also be mechanisms in place which allow for adjustments to be made if students leave a system or return.
- 5.2.3 This Enrolment Benchmark Adjustment initiative is justified by the government on the basis that since the early 1980s there has been a substantial shift in enrolments from the government sector to the non-government sector. The final report of the Review of the New Schools Policy does not support this view.

"With the possible exception of the most recent year, students do not seem to be leaving government schools to go to non-government schools at those levels (yrs 10,11,12). In non-government schools in 1993, 1994 and 1995, changes in enrolments at those year levels were minus 622, minus 80 and plus 1696 respectively."

(p.12)

- 5.2.4 The report further notes that

"Catholic systems have been making the most of their resources by closing and/or reorganising more schools than they have opened Increases in enrolments in this part (ie. non-Catholic) of the non-government sector began from a lower base ... and have thus increased at a faster rate."

(p.13)

- 5.2.5 Nevertheless, if there has been an increase in non-government enrolments because of a transfer from the government sector to the non-government sector (rather than increases resulting from the expansion of the number of grades and new schools) then presumably, over time Commonwealth funding might adjust to this.
- 5.2.6 The issue the IEU believes requires scrutiny is where such a funding adjustment should occur and what assumptions should

apply if it were to occur. Ten percent of funding for government schools are General Recurrent tied grants from the Commonwealth, but a further 40% of funding is paid by the Commonwealth to the States under the Financial Assistance Grants Scheme (FAGS) based on the number of students enrolled in government schools.

- 5.2.7 The IEU is unaware of any adjustments made to FAGS over the past decade - are mechanisms in place which provide for a reduction in payments under FAGS when student drift has occurred from the government to the non-government sector?
- 5.2.8 The proposed legislation provides for a 50% drawback of the notional per capita payment under FAGS, but the actual reduction is to be made from the 10% of General Recurrent Grants paid to the States and Territories. This is an entirely inappropriate mechanism and destroys what should be the straightforward integrity of a per capita program to support the education of students in government schools.
- 5.2.9 The lack of transparency in the way Commonwealth funds under FAGS are determined, distributed and expended by State and Territory governments on education is unacceptable.
- 5.2.10 Quite complex issues are involved, including the difference between the average and marginal per capita costs for the operation of large government education systems.
- 5.2.11 The necessity exists, in the public interest, for governments to fund the dominant public systems to cater for all Australian children including those in small, rural, isolated, poor and disadvantaged communities, and NESB and ATSI communities. The Australian community expects the education system to be properly resourced and comprehensive and to set the benchmark or community standard for the provision of education for Australian school students.
- 5.2.12 The IEU believes the Enrolment Benchmark Adjustment in the legislation is a crude formulaic quasi voucher system and is inappropriate. The IEU believes that a more considered process of community consultation around these issues should occur before such major changes to funding legislation proceeds.
- 5.2.13 In the meantime, it is important that the substance of the Bill guaranteeing grants to schools should be expeditiously passed.