

# **The Australian Council of State School Organisations**

## **Submission in the States Grants (Primary and Secondary Education Assistance) Bill 2000**

The Australian Council of State School Organisations (ACSSO) is the national peak body representing parent organisations and school councils in government schools in Australia through 11 State and Territory affiliates in all States and Territories in Australia. These in turn represent parent organisations and school councils in around 7000 government schools all over Australia, which in turn represent over 2 million parents with children in government schools.

ACSSO welcomes the opportunity to comment on the States Grants (Primary and Secondary Education Assistance) Bill 2000. We believe that it is the most significant legislative embodiment so far of the “competition and choice” agenda of the Howard Government, which ACSSO rejects because we believe that behind the rhetoric of “competition and choice” lies a deeper agenda, that of marketisation and privatisation. We believe that the end result of following these policies will be increased disadvantage for the most disadvantaged groups of students in Australia, students from low socio-economic status families, students of Indigenous origin, students living in rural and remote areas and students with disabilities.

### ***Marketisation of schooling***

There can be little doubt that one of the policy aims of the Coalition is to create educational markets. In a recent speech to the National Council of Independent Schools of Australia (July 14, 2000), Dr Kemp stated that “School choice means better educational opportunity, **because it uses the dynamics of consumer opportunity and provider competition to drive service quality.**” (our emphasis). This is a clear statement of market ideology.

In that speech, Dr Kemp refers to the work of the Peterson-Hoxby school on school choice in the United States, as demonstrating the effectiveness of school choice. In a recent analysis of the US data (<http://www.ssri.niu.edu/dl/peterson.htm>), Professor Peterson concluded that “School choice has not yet had a chance to prove itself. It needs to be undertaken gradually, experimentally, and with a focus on the places that are in the greatest need.” Dr Kemp has taken this experiment, and turned it into the core of the Coalition’s education policy. Peterson carries the argument for choice further, advocating charter schools and vouchers as logical extensions of this idea. We are entitled to ask if this is where Dr Kemp is heading.

In fact, it should be obvious to all not blinded by ideology that the markets cannot deliver equity, even of choice in education, because of the unequal distribution of the wealth and knowledge required to exercise choice effectively. In reality, choice is likely to operate to

the detriment of the disadvantaged. As Professor Peterson put it, “Under the discipline of the marketplace, schools will either satisfy their customers or close shop.” The schools most likely to close are those that serve the most disadvantaged communities, unless they are given the additional resources they need to cater to the special needs of the communities they serve.

The New Zealand experience shows that competition, choice and deregulation does indeed work against the interests of the disadvantaged. Two recent books (Trading in Futures. Why Markets in Education Don’t Work, Lauder and Hughes, Open University Press, 1999; When Schools Compete. A Cautionary Tale, Brookings Institution Press, 2000) have shown that the New Zealand experiment has not led to overall increases in standards and outcomes, but has led to increased polarisation of enrolments and outcomes. One the whole, the losers have been the students from low socio-economic status, and Maori and Pacific Islander backgrounds. Fiske and Ladd, in general supporters of choice, conclude “that over-reliance on simplistic solutions can cause considerable harm to both individuals and schools unless policy makers are willing to anticipate from the outset the limitations of such solutions and to build in appropriate safeguards.”

The New Zealand experience shows one further important point. Deregulation can in fact turn market logic on its head. Far from parents choosing schools, schools end up selecting students, enrolling only those who are likely to succeed, and rejecting those likely to cause problems, in order to protect their market image. Once again, this further disadvantages the already disadvantaged. Unfortunately, these selective enrolment practices are far from rare in the non-government sector which the proposed legislation favours.

### ***The privatisation of schooling***

Coalition policy is not just to encourage competition and choice between government and non-government schools, but also between government schools. It should be noted that rigid zoning is a thing of the past in government school systems, and hence that choice is permitted. However, the maintenance of a guarantee to all students of access to a free, secular, high quality education in a local government school limits the potential for competition between government schools, and limits the pressure on parents to find alternative schools, which is often misleadingly labelled as choice. ACSSO believes that the continuation of the guarantees provided by government schools is precisely what is needed to minimise the harm that can occur with uncontrolled competition and choice.

Unfortunately, these guarantees are being undermined by Coalition policy. In commenting on the 1999 Federal Budget, Dr Kemp described the selective subsidy to the non-government sector as

*“part of a bigger strategy.....The ability to support choice is, from the Commonwealth point of view, a major driver for reform in the government sector.....The plan is to produce a competitive environment which will force State education ministers to “push ahead with the reform process .....”*

It is not entirely clear what Dr Kemp means by reform. In *Building Up Government Schooling. A Background Briefing* (DETYA 2000), “the need for State and Territory governments to relax bureaucratic and industrial relations controls in government schools” is stressed.

To understand more, we need to look at the record of the Kennett Government in Victoria, which Dr Kemp has strongly defended. Professor Brian Caldwell and Don Hayward, the first Minister for Education in the Kennett Government, were the architects of the Kennett Government’s so-called reforms. In *The Future of Schools. Lessons from the Reform of Public Education* (Falmer Press, 1998), they have put forward a 15 point preferred scenario, which advocates that all schools should be treated as government schools, and funded on the same basis, which would obviously pose some budgetary issues. It further argues that all schools should be entitled to charge fees, at a level to be set by the school council, excluding tuition fees in schools “owned and operated by government”. The decisive change is outlined in point 3, “that schools whose communities and staff have the commitment and capacity should have the opportunity to change their “foundation arrangements” from government owned and employed to privately owned and employed ...”.

What Caldwell and Hayward advocate is in fact a recipe for the dissolution of systems of government schools, with local enrolment entitlements and freedom from fees abolished. Caldwell and Hayward are quite clear that the result of this process would be that around 30% of schools would continue to be government owned and operated, and around 70% would be privately owned. If this is not what Dr Kemp means by reform, then he needs to state that clearly and unambiguously.

ACSSO believes that the guarantees outlined above are crucial to the continuing social role of government schools. Without them, government owned and operated schools can easily become a residual safety net for a minority of students, instead of a system which offers high quality education to the majority. Therefore, these guarantees should be specifically defended, rather than undermined, by any Commonwealth legislation on schools.

### ***Promoting equity in education***

Perhaps the strangest justification of the Coalition policy direction is that it is promoting equity. As noted above, competition and choice can easily work to the detriment of the disadvantaged. In fact, in a recent letter to School Principals (June 2000), Dr Kemp stated that “the Commonwealth has principal responsibility for non-government school funding.”

This in itself raises some concerns about equity, because 80-90% of the major equity target groups in Australian schools, students from low SES backgrounds, students of Indigenous origin, students living in rural and remote areas, and students with disabilities, are enrolled in government, not non-government schools. Further, the faster rate of

increase in Commonwealth funding for non-government schools compared to government schools, even allowing for changes in student numbers, means that Commonwealth funding is increasingly directed to the non-government sector, in which the equity target groups are under-represented. Increasingly, under present Commonwealth policies, in order to be entitled to Commonwealth equity funding, a student needs to enrol in a non-government school. Data on the distribution of Commonwealth IESIP funding suggests that this is particularly true for Indigenous students.

ACSSO does not accept that the Commonwealth Government only, or even primarily, has a responsibility for equity within the non-government sector, but instead believes that Commonwealth equity funding should be directed to areas of need across the different sectors.

### ***Specific Comments on the Legislation***

#### ***Funding issues***

In his Second Reading Speech, Dr Kemp defined two of the three key points of the legislation as the implementation of the new SES funding arrangements and strengthened accountability and reporting arrangements.

In relation to the new SES funding arrangements, ACSSO believes that they are flawed in quite fundamental ways:

- Firstly, most of the non-government school sector is exempted from these arrangements. If they are such a positive step, it is hard to understand why.
- Secondly, while an element of equity is introduced by funding based on the SES characteristics of the school community, the removal of the link to school resources means that some schools will operate at resource levels well above those of government schools, while continuing to receive substantial government funding. This is presented as abolishing disincentives to private spending on education, but it is in fact legitimisation of the right of the wealthy to attempt to buy themselves further advantages. Dr Kemp has frequently argued that increased funding for the non-government sector will enable them to cut fees, thereby making it possible for more families to afford private schooling, but there is no evidence that this will happen, and no requirement for it to happen.
- Thirdly, the abolition of the link to school resources, also advantages small, dedicated but narrowly based religious and ethnic communities, which are prepared to make considerable sacrifices to offer narrowly based education for their own communities. ACSSO believes that encouraging the development of schools with narrow enrolment bases has the potential to fragment Australian society at the school level, undermining the rich multicultural diversity apparent in government schools, and replacing it, at least in part, with schooling segregated on ethnic and religious grounds. ACSSO believes that it is unfortunate that this direction is supported by Coalition policy,

when government funding should in fact be directed to ensuring that government schools offer an environment in which all students can feel comfortable.

ACSSO does not argue for funding on schools in the non-government sector, but believes that, if governments are to fund non-government schools, a more appropriate funding model would be to develop an agreed standard for resources, facilities and staffing for all government schools, which will vary depending on school location and other factors, and on top of which is added needs-based funding to address identified disadvantage, with the aim of ensuring equity in outcomes. This is only very imperfectly captured by AGSRC measures. Once this is defined for government schools, a basal component could be directed to non-government schools, depending on the extent to which they adhere to the social and curriculum guarantees of government schools, with similarly weighted needs-based funding for disadvantage.

**ACSSO recommends that the SES model be amended to include a cap on school resources, pending a major review of school funding arrangements.**

**ACSSO recommends that the funding increases associated with the introduction of the SES model be redistributed, so that the percentage increase in funding for government schools equals that for non-government schools.**

**Failing these two amendments, ACSSO recommends that provision for monitoring the fees charged in non-government schools be inserted into the legislation, with a requirement that the increased funding be translated into reductions in fees, taking into account all the charges required of parents throughout the year, as a condition for continued Commonwealth funding.**

#### *Accountability issues*

In relation to the accountability provisions, ACSSO welcomes the extension of accountability for the non-government sector. While ACSSO has some reservations about the national bench-marking process, and its potential misuse for “school league tables”, we do not object in principle to the Commonwealth requiring accountability for the outcomes achieved with Commonwealth support. However, we believe that part of the accountability should include adherence to standards for student and parental welfare and rights by the non-government sector.

**ACSSO recommends that the accountability provisions for all schools and school systems be expanded to include reporting on enrolment practices, suspension and expulsion policies and practices, and progress on social justice targets. Continued funding should be linked to achievements in these areas, to strengthen the focus on equity.**

#### *Other recommendations*

**ACSSO recommends that the legislation be amended to ensure that the Enrolment Benchmark Adjustment, or a similar mechanism, cannot be implemented.**

**ACSSO recommends that a provision for assessment of new non-government schools be introduced, before they are eligible to receive Commonwealth funding. This should incorporate assessment of the impact of the new school on existing government and non-government schools, as well as assessment of the viability of the new school, to ensure optimum use of government funding. The adherence of the school to the curriculum, personal development and social justice provisions of the National Goals for Schooling should also be required.**

***Conclusion***

ACSSO believes that its recommended changes to the bill will place vital limits on the Coalition's agenda on schooling, which appears to be the promotion of marketisation and privatisation of schooling in Australia. This is being pursued through the promotion of competition and choice, and is backed by the systematic policy of more rapidly increasing Commonwealth funding for the non-government sector than for the government sector. Without changes of this kind, the legislation poses a major threat to the guarantees provided for all Australian children of access to a free, secular, comprehensive and high quality education in a local government school or school service.

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