

Chapter 3:

Emergence: Demands and Support For a New Schools Policy.

The following chapter will both embrace the suggestion of Dror (1984), that is to consider the historical data, and examine the social and political aspects that lead to what Easton terms as *input* for a policy change. Input being defined as both demand and support for an authoritative allocation. Input, as shown in the previous chapter, can also be correlated with Harman's issue emergence, where a problem gains a place on the public, and then official agenda. To do this the most important aspects of history that contributed to the emergence of the problem prior to the re-election of the ALP in 1983 will be traced. This will include; a brief look at the historical background to funding arrangements for non-government Schools to 1972, the Whitlam era and the release of the Karmel Report, and, the Fraser era leading up to the re-election of the ALP under Bob Hawke in 1983. It is important to look at each of these areas in order to understand the reasoning behind the Labor Party's decision to formulate and implement the New Schools Policy. In so doing, the chapter will answer the question: What political and historical factors contributed to the emergence of the New Schools Policy?

A Brief Historical Background to 1972.

Primary and secondary education is primarily the responsibility of the States and Territories, but the Commonwealth, over time, has nevertheless become more involved in schooling in Australia. The legality of the Commonwealth's involvement was always debatable until the government proposed amendments to the constitution in 1946. Acceptance of the proposals allowed Section 51 of the Constitution to be amended to give the Commonwealth power to make laws "with respect to the

provision of...benefits to students" in all states of Australia. The Commonwealth has also utilised Section 96 of the Constitution, which allows the Federal Parliament to "grant financial assistance to any state on such terms and conditions as the Parliament thinks fit", to extend its involvement in education (McIntosh, 1996, p1).

Prior to the 1960's non-government schools were not funded by the Commonwealth Government. In the 1870's and 1880's most of the British colonies passed legislation that effectively excluded the non-government sector from public funding. It was expected that non-government schools would be funded entirely from private sources. By the 1960's however there came mounting demands on the Commonwealth and the States to become directly involved in the funding of non-government schools.

Demands on the government came from a rapid expansion in school enrolments, which the State governments found increasingly difficult to fund. This was coupled with a large Catholic non-government sector that was facing overcrowding, inadequate buildings, and a shortage of staff. Parents and educators, and other pressure groups put forward the case that the Commonwealth make up the shortfall in school funding, not only to government, but also non-government schools. The pressure on the Federal Government led to great debate as to who should receive 'state aid'. Opponents of 'state aid' to the private sector argued that it was totally inappropriate for the taxpayer to support church schools, as it would be the Catholic schools that would be the major recipient of funding. They believed that the Church and the State should be kept totally separate.

Initially the two major political parties were opposed to 'state aid', but by the mid 1960's both had changed their positions. Prime Minister Menzies, leader of the Liberal/Country Party, had initially opposed general funding of both government and non-government schools, believing that it was the sole responsibility of the States, but by 1964 he had changed his position and began the process of direct Commonwealth

aid to schools (McIntosh, 1996, p2-3, McKinnon & Walker, 1995, p5-6). In that year direct assistance from the Commonwealth came in the form of funding for science laboratories and equipment for secondary schools, in both the government and non-government sectors.

The Whitlam Era.

The Labor Party regained power under the leadership of Hon E.G. Whitlam in December 1972. When they did, they brought with them ideologies, promises, and policies that changed the nature, and amount of funding contributed to non-government Schools. Labor, prior to regaining power, had never denied the parents' choice of school for their children, but questioned their right to monetary assistance to fulfil that choice. Labor's policy, particularly in Victoria, "has never admitted that parents in non-government Schools have a right in principle to a grant for the education of their children" (Mortensen, 1985, p20).

During the Victorian State elections of 1970, Mr Holding, leader of the Labor Party, left out of his policy speech a vital sentence indicating his, and his party's stance on non-government schooling. It was to say, "The board shall apply an ultimate policy of reduction and phasing out of grants to the private sector, as the government system develops the capacity to absorb children from the private system without prejudice to their educational development" (Dunk, 1970, in Mortensen, 1985, p20). In actual fact, government schools had been increasing their proportion of the total student enrolment for some years (see table 3.1). Later Mr Holding declared that a Labor Government in Victoria would phase out State aid to private schools, but it was a long term idea (The Age, May 19, 1970).

Table 3.1
 Proportion of Enrolments in Government and Non-Government Schools, August
 Census 1963-1972
 (Percent of Total Enrolments)

	Government Schools		Non-Government Schools	
	Primary	Secondary	Primary	Secondary
1963.....	77.3	73.1	22.7	26.9
1964.....	77.3	73.4	22.7	26.6
1965.....	77.3	73.7	22.7	26.3
1966.....	77.9	74.0	22.1	26.0
1967.....	78.4	74.3	21.6	25.7
1968.....	78.8	74.6	21.2	25.4
1969.....	79.2	75.0	20.8	25.0
1970.....	79.5	75.2	20.5	24.8
1971.....	79.7	75.5	20.3	24.5
1972.....	80.0	75.8	20.0	24.2

Source: Karmel, 1973 p27

Before the 1972 Federal election, Allan Barnes, an astute political commentator, reported that 'several members of Mr Whitlam's Parliamentary executive wanted him to make a declaration that, under a Labor Government, "wealthy schools" would receive no aid' (Barnes, 1972). In fact at the time Mr Whitlam had already made a statement to a large meeting in Melbourne saying that the Labor Party would not repeal or reduce any educational benefit that is already paid (Mortensen, 1985, p21). The election promise was to continue any benefits already being paid, and in December 1972, Mr Whitlam wrote to all Premiers stating that 'Per capita grants to non-government schools for the year 1973 will be paid at the rates already approved for 1973, ie., \$62 for primary pupils and \$104 for secondary pupils... (Karmel, 1973, p41). Commencing in 1974 additional Commonwealth contributions towards the running costs of non-government schools will be considered on the basis of relative need' (Whitlam, 1973, p3932).

Mr Whitlam, during his campaign, was in a dilemma. His executive were wanting to eliminate Federal funding to wealthy schools, and wished Mr Whitlam to make clear to the public, but he had already promised to continue contributions at the current rate. Before the election Mr Whitlam conceded to the argument of his executive, but never made a public statement to the effect (Mortensen, 1985, p22). It was seen by the opposition when he came to power, and areas of the public, as a broken promise.

The intentions of the Labor proponents prior to, and up to the 1972 elections were quite clear. While not openly declaring opposition to non-government education, many officials questioned the right of such schools to receive government funds, and wished to see the discontinuation of State aid. In extreme cases, such as Mr Holding's view, there was a wish to see all education politically controlled under the banner of government education.

On 12 December 1972, the new Prime Minister, Gough Whitlam, set up an interim Committee for the Australian Schools Commission, with Professor Peter Karmel as Chairman. The terms of reference of the committee included:

Pending the establishment under statute of the Australian Schools Commission which will make continuing arrangements, the interim Committee will:

- a) examine the position of both government and non-government primary and secondary schools in all states and in the A.C.T. and the N.T.;
- b) make recommendations to the Minister for Education and Science as to the immediate financial needs of schools, priorities within those needs, and appropriate measures to assist in meeting those needs, including:
 - i) grants from the Commonwealth to the States in respect of both government and non-government schools;
 - ii) funds for government schools and grants to non-government schools in the A.C.T. and the N.T.;
 - iii) the conditions under which those grants are to be made available.
2. In carrying out its task the Interim Committee will:
 - a) Work towards establishing acceptable standards for those schools, government and non-government alike, which fall short of those standards;
 - b) take into account:
 - i) where necessary, both the expansion of existing schools and the establishment of new ones;.....

(Terms of Reference, Karmel Report, May 1973, p3)

As can be seen from the terms of reference, the committee was charged to examine the position of both government and non-government primary and secondary schools. Whitlam spoke of 'equality of opportunity' and emphasised that, under a Labor Government, grants would be made on a basis of needs. Yet he neither defined what he meant by needs and equality of opportunity, nor how they were to be estimated (Mortensen, 1985, p13).

The Committee interpreted 'financial needs' of schools to mean a concern with the resources used in schools, and not with the financial situation of the parents or the pupils. The Committee saw its major task the recommendation of grants to meet the immediate financial needs of the schools according to its assessment of those and their relative priorities (Karmel, 1973, p4). The Committee went on to consider four approaches to the concept of need. "First, need for a minimum quantity and quality of resources in schools; secondly, need for a particular level and kind of outcome from schools; thirdly, need for resources of varying types and amounts having regard to their effectiveness in moving towards desired goals; and fourthly, need as defined by the extent of the cognitive, physical, social or economic disadvantages of individual pupils" (Karmel, 1973, p49).

The Government indicated to the Committee that, while recurrent grants for non-government schools had been set for 1973, during subsequent years the basic level of support for non-government schools will not be predetermined, and will be recommended by the Committee, having regard to the overall assessment of needs and priorities and to the pre-existing situation. In following years, the nature and level of support for non-government schools will be a matter for consideration of the Schools Commission (Karmel, 1973, p7). The Committee actually went on to the recommend the eventual phasing out of support to wealthy schools. It stated in paragraph 1.19 that;

the Committee believes that there are some schools for which no case can be made on an overall relative needs basis for this type of Commonwealth support. However, abrupt termination of support may well place these schools in some difficulty. Accordingly, the Committee proposes a phasing out of recurrent grants for them (Karmel, 1973 p7, also paragraph 6.50, p71).

This recommendation was later amended, giving financial security to all non-government schools for the proceeding years.

The intention of the Committee, and the report, was to raise the standards of all schools, government and non-government alike, to a national level (Williams, 1984, p320). Its recommendations of funding and assistance went into achieving this goal. The committee set a target for 1979 to achieve this end. It recognised that to achieve the minimum acceptable degree of improvement an overall increase of 40% in the use of recurrent resources per pupil in government primary schools, and 35% in government secondary schools, was necessary. A similar picture was necessary in Catholic systemic schools and some non-systemic non-government schools, while many non-government schools were operating above what the committee considered as acceptable national standards (Karmel, 1973, p62). To put what the committee saw as a national level in concrete terms the committee set out one example of the many alternative configurations of resources which schools might be using by 1979. This was as follows:

- a) All teachers to have available one working week annually or a month triennially, for professional development.
- b) Relieving staff to be provided immediately a teacher is absent from duty.
- c) The amount of time approved for the conduct of recognised administrative duties by teachers in schools to be the equivalent of about 10% of staff working hours.
- d) One field consultant/adviser to be provided for every 60 teachers in service.
- e) An expansion in the number of primary specialist teachers, which enable the release of teachers from direct classroom duties for two hours per week.
- f) All new teachers to enjoy a 10% reduced work load during their first year of service.
- g) A reduction in the maximum sizes of class groups to 32 pupils at primary and junior secondary levels, and 25 students in the senior secondary forms.
- h) The numbers of ancillary staff and the amount of equipment to be increased, in terms of 1972 levels, by 100% for primary schools and 75% for secondary schools (Karmel, 1973, p63).

Equality of opportunity, along with diversity, was the principal value from which the committee derived its recommendations. The Committee valued the principle that the standard of schooling a child received should not depend on what his/her parents were willing to contribute, or whether they were enrolled in a government or non-government school. Every child has the right, within practicable limits, to be prepared through schooling for full participation in society (Karmel, 1973, p11, also pp16-17). Equal opportunity hence was, and is considered to be by the Labor Party, an important social goal for all Australian schools to achieve. Equal opportunity is interpreted by the Karmel Committee as equal access to schools of roughly equal standards, that is schools with equal staffing levels, resources and facilities which was at that time equated with the national target for 1979, as per above. All students, from all walks of life, should have an equal opportunity for success (Karmel, 1973, p16).

Interestingly the notion of equal opportunity was reflected in the United Nations Declaration of Rights of Child (UN Year Book, 1959, pp198-9) to which Australia was a signatory. In it it states:

The General Assembly ... calls upon ... national governments to recognise these rights and strive for their observance by legislative and other measures progressively taken in accordance with the following principles:

Principle 7

The child is entitled to receive education, which shall be free and compulsory, at least in the elementary stages. He shall be given an education which will promote his general culture, and enable him, on the basis of equal opportunity, to develop his abilities, his individual judgement, and his sense of moral and social responsibility, and to become a useful member of society.

The committee did not reject the right of parents to choice. It "accepts the right of parents to choose schooling above the levels to which the Committee's recommendations are designed to raise government and non-government schools which are presently below them; it does not accept their right to public assistance to facilitate this choice (Karmel, p12).

As a result of the Committees discussions and prioritising of values, a measurement of need, and the subsequent allocation of recurrent resources, was suggested. The measurement involved the weighing of quantities of the various resources used within the schools by fixed salary and price weights, to form an index of quantum (Karmel, 1973, p56). Taken into consideration when forming the index were; services of teachers, administrators, and support staff, consumables, equipment, and in the case of schools forming, or part of systems, resources such as itinerant specialist teachers, guidance and counselling personnel and curriculum advisers (Karmel, 1973, 56). The committee saw the arduous task of classifying the nations 9500 schools an impossible administrative task, and so suggested that most schools be treated as systemic, such as government and Catholic schools, and an index calculated based on the systems resources. Catholic state systems were established, with central planning, payment and curriculum support services.

Non-government schools were classified into one of eight categories, A-H, according to the level of resources in each. Category A would receive the least funding from the Commonwealth, while H, the most. The Committee drew attention to the most considerable degree of inequality amongst non-government schools, and wished, by categorising them, to bring about more equal standards. Larger sums of money were allocated to improve resources in low standard schools, while smaller sums for higher standard schools to stabilise fees (Karmel, 1973, p71). The categorising for the allocation of funds among school systems was provided by SRRI. (Schools Recurrent Resources Index.) The sole purpose of assistance under this program was to raise and make more equal, the quality of education (seen as resources per pupil) within schools.

While the Committee was commissioned to take into account "where necessary, both the expansion of existing schools and the establishment of new ones.." (Terms of

Reference) the directive was only very briefly touched upon. It considered, in paragraph 2.13, p12 of the Karmel Report, that an unco-ordinated expansion of the private sector could lead to a wasteful duplication of resources, and have "effects on the public sector whose strength and representatives should not be diluted" (Karmel, 1973, p12). Its consideration however was only brief, and only realised the possibility of an increase in funding to the private sector, which would be detrimental to the government system, if, and when it grew. The committee's assumption, without directive from the government, was that the private sector maintain its share of enrolments. This was reflected in paragraph 7.14;

In the absence of any directive from the Government on the degree to which grants ought to be provided for the expansion of the non-government sector, the committee has taken the view that it would be reasonable to make funds available to enable the non-government school sector to maintain its share of school enrolments at the level existing in 1972, any variation from this position would, in the Committee's view, require a policy decision on the part of the Australian Government. (Karmel, 1973, p77)

In summary, the Labor government's ideology of equality of educational opportunity first came to the political floor with authoritative action in the Karmel Report. On this ideology, it would go on to build the New Schools Policy. While it did not reject, but affirmed its belief in the values of liberty (freedom of choice) and efficiency, it pursued a precedence for equality. The Karmel Report also demonstrated the Labor Government's commitment to the government school system. The committee, while believing in parental right to choice, questioned the ethics behind the Federal Government's position to funding that right. They also foresaw that an expansion in the non-government sector would affect the government system, "whose strength and representatives should not be diluted." Statements from prominent politicians also demonstrated the Labor Government's position on the public vs private debate. Comments from politicians, such as Mr Holding's and Mr Whitlam's executive indicated that a phasing out of funding to the private sector along with an absorption of pupils from private to public schools, was the ideal goal. The Karmel Report did not go to this extreme, but rather suggested that the 'elite' schools funding be

eventually phased out (Dunk, 1970, Barnes, 1972). On its preference for this value, equality, along with their standing and interest in government schooling, the Labor Government founded and built its New Schools Policy.

Preferences and interests however, do not constitute, or fall into the category of demands (Easton, 1965, p45-47). They may be confused with political demands as there is a close connection between them. Interests and preferences become demands when they are voiced with a proposal that authoritative action should be taken with regard to it (Easton, 1965, p45-47). Authorities themselves, or in this case, political parties, are able to redirect or greatly influence the direction of the political system. Indeed, political parties may be able to sponsor entirely new demands, or turn their interests and preferences into demands by responding to them with authoritative allocation (Easton, 1965, p346). This action "is what is meant by characterising a political system as constructively adaptive and goal orientated" (Easton, 1965, p346). So while the Labor Party had a preference for equity, and a vested interest in the government schools system, because of their position of authority, they were, and are, able to convert their preferences and interests into demands, and influence the course of the entire political system.

The Era of the Fraser Government: 1975- 1983

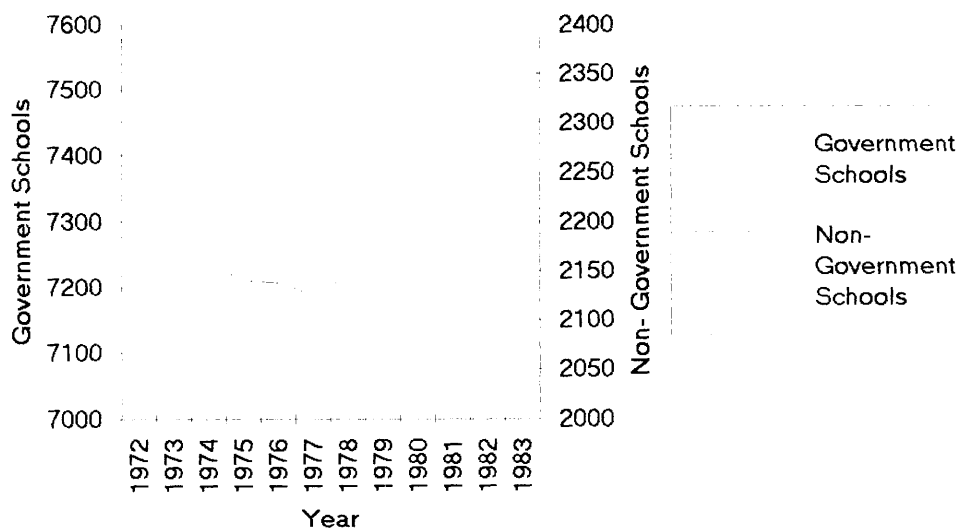
In December 1975 the Hon. Gough Whitlam lost power to the Liberal and National Party Coalition under the leadership of Mr Fraser. During the years that followed several factors occurred, prompting, in the eyes of the Labor Party, further demands for policy change and the initiation of a "New Schools Policy."

Firstly there was a sharp increase in the number of non-government schools. Until the Whitlam Government, the number of schools in the non-government, and indeed also the government sector, had been falling. These falling numbers of schools could have

been attributed to any number of factors including closures and amalgamations. 1977 seemed to be the turning point. From that year and onwards the growth in numbers of non-government schools was quite marked, with an increase of 237 schools over a 6 year period. This growth also occurred in the government sector with an increase of 221 schools over the same period. (See figure 3.1) The growth maybe attributed to the policies of the previous Whitlam Government, or to any number of other factors including population growth or urban sprawl. Williams, (1985) attributes the swing at this time to the lower real cost to parents of enrolling their children in non-government schools due to the increase in real government grants to the private sector (Williams, 1985, pp623-624). It is however, not the intention of the researcher to find the connection, but to merely point out the factors that influenced the Labor Government to formulate the New Schools Policy.

Figure 3.1

Numbers of Schools by Sector 1972-1983

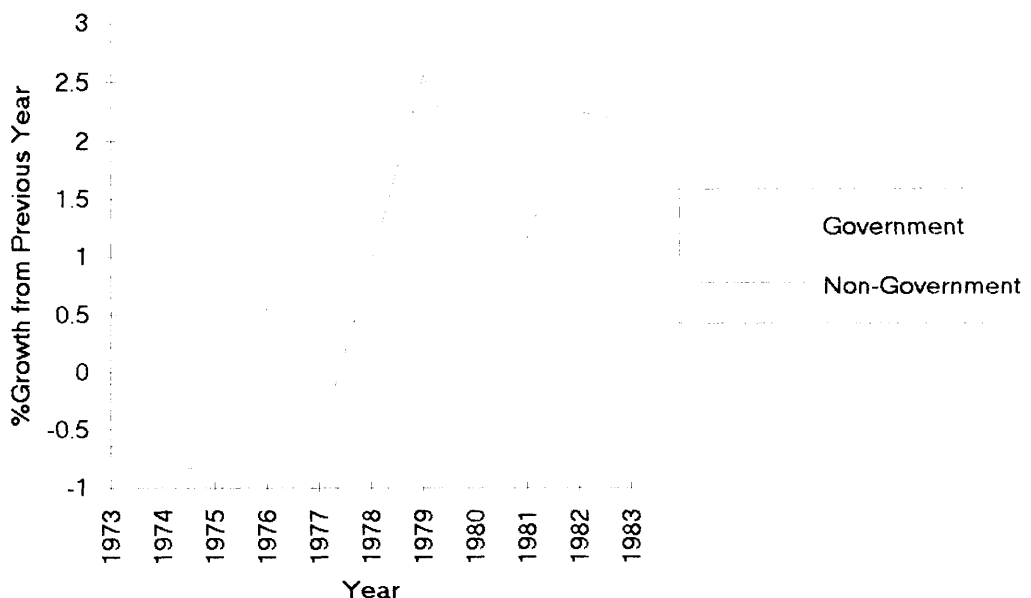


Source: Figures from Australian Education Council, "Statistical Annex, National Report on Schooling in Australia." Various Volumes. Also Australian Bureau of Statistics.

While it may appear that each sector, government and non-government, were growing at the same rate, and therefore have no detrimental effect on the existing structures, this was not so. If one examines the 'real' increase of growth in numbers of schools a clearer picture can be seen. (See figure 3.2) By looking at the graph, it can be concluded that the number of schools in the private sector were increasing at a greater rate than their counterparts in the public sector. This greater rate of growth, and its subsequent effects, caused concern for the Labor Party.

Figure 3.2

Annual Increase of Number of Schools By Sector 1972-1983



Source: Figures from Australian Education Council, "Statistical Annex, National Report on Schooling in Australia." Various Volumes. Also Australian Bureau of Statistics.

Along with a growth in the number of schools in the private sector came a quite dramatic shift in the proportion of enrolments retained in each sector. Until 1976 the government sector had been increasing their proportion of total school enrolments, to a figure of 78.8%. From that point onwards, however, the percentage of total enrolments retained by government schools began to fall, and the percentage retained in non-government, increase. (See figure 3.3) This was contrary to what several key

Labor officials had hoped. Mr Holdings, for example, had hoped that with a phasing out of funding to the private sector, government schools would increase their share of enrolments. This view, as previously mentioned, was widely held. The Karmel committee, while not supporting Mr Holding's view, saw it reasonable that the non-government sector *retain*, not increase, their share of the total school enrolments, and had provided the funding for it to do so. However, neither of these two views proved to be correct. The shift in enrolments went contrary to what they had hoped. What was seen from 1976 and onwards could possibly be perceived as "an unco-ordinated expansion of the private sector" which in the Labor Party's mind may lead to a 'wasteful duplication of resources, and a diluting of the strength of the public sector' (Karmel, 1973, p12). This factor was of great concern for Labor officials.

Figure 3.3

Proportion of Total School Enrolment Retained by Sector 1972-1983



Source: Australian Education Council, "Statistical Annex, National Report on Schooling in Australia." Various Volumes. Also Australian Bureau of Statistics.

It is possible that part of the sudden increased growth in share of total enrolments could have been attributed to the retention of students to year 12. From 1977 to around 1981, (other comparable figures are not available) the government system

suffered a loss in retention rates to year 12. At the same time the non-government sector slightly increased their retention of students. (See figure 3.4, retention rates to year 12 indicated by the column graph - figures contained in Appendix H page 175.) This difference in retention rates to year 12 would have affected the overall percentage of students enrolled in each sector giving the appearance that the non-government sector was growing via a shift in enrolments faster than it actually was. For example, using a hypothetical situation it can be shown how a difference in retention rates can give the appearance of an enrolment shift:

eg. If the total school enrolment is 2 500 000, and the government sector retains 78% of the total enrolment then:

Government schools (GS) = 78% or 1 950 000 students

Non-government schools (NGS) = 22% or 550 000 students

If in the following year there a 0% growth of total students, but the government sector suffered a 0.2% loss of retention of students to year 12 while the non-government sector gained 0.2% growth of retention of students to year 12, then:

$$GS = 1\,950\,000 - (0.2\% * 1\,950\,000)$$

$$= 1\,950\,000 - 3900$$

$$= 1\,946\,100$$

$$NGS = 550\,000 + (0.2\% * 550\,000)$$

$$= 551\,100$$

Therefore total enrolment for the new year = 2 497 200

$$\text{GS} = \frac{1\,946\,100}{2\,497\,200} * 100$$

= 77.9% of total enrolments, while

$$\text{NGS} = \frac{551\,100}{2\,497\,200} * 100$$

= 22.1%

This hypothetical example, assuming that there was a 0% growth in total enrolments, shows how a fall in the government sectors retention rates, along with a growth in the government sectors, can give the appearance of an enrolment shift upon an examination of the percentage figures of enrolment share between the two sectors. The 'shift' is even more pronounced when there is a growth in total students.

eg. Assuming there is a 1.5% growth in total students then:

$$\text{GS} = \frac{1\,950\,000 + (78\% * 37\,500) - (0.2\% * 1\,950\,000)}{2\,537\,500} * 100$$

$$= \frac{1\,950\,000 + 29\,250 - 3\,900}{2\,537\,500} * 100$$

= 77.8% of enrolment share

where: 37 500 = the increase in total students

$(78\% * 37\ 500)$ = the assumed share that the GS would retain

$(0.2\% * 1\ 950\ 000)$ = the fall numbers due to a loss in retention

2 537 500 = the total students due to a 1.5% growth figure

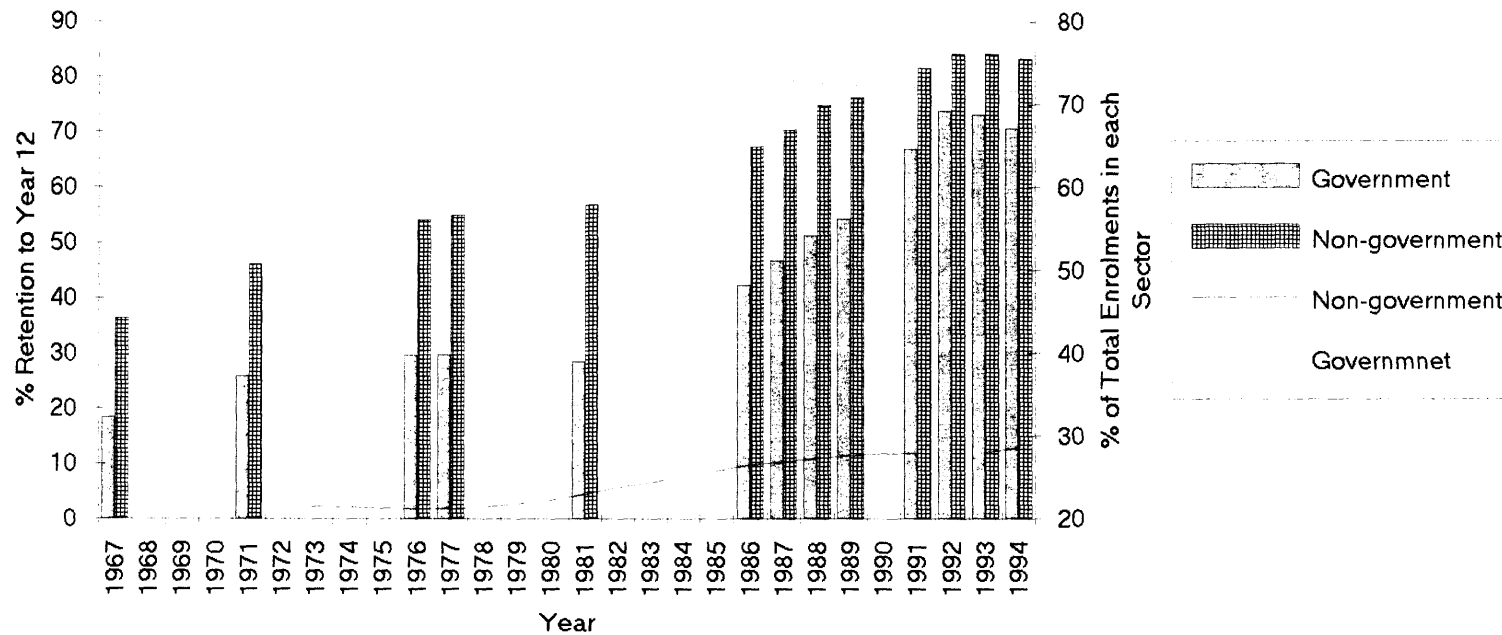
NB. real growth of total students would therefore be 1.38% due to loss in retention

While these are hypothetical examples intended to show that part of the enrolment 'shift' could have been attributed to the apparent retention of students in each sector, care should be taken when looking at the retention rate percentage figures. See note on figure 3.4. Part of the shift would have also been caused by the transferring of government school students to non-government schools after year 10.

The above hypothesis gains weight with an examination of figure 3.5. The figure shows the retention rates to year 12 in the government sector, overlaid with a line graph showing the real loss of percentage enrolment share per year in the same sector. One can see that from the years 1976 to 1982 the government sector was losing their enrolment share at an increasingly greater rate until a point of around -1.05% per year. Interestingly, this occurred at the same time as the apparent retention rates were also falling (as shown by the column graph). The same anomaly occurred again between 1990 and 1994, where retention rates again fell, as did the percentage loss of enrolment share.

While proponents of the New Schools Policy were implicitly concerned with the shift in enrolments between the two sectors, it may not have been as pronounced as it first appears.

Figure 3.4
 Apparent Retention Rates of Government and Non-Government Schools to Year 12: 1973-1994 - Column Graph
 Overlay: Enrolment share of Respective Sectors over the same period - Line Graph

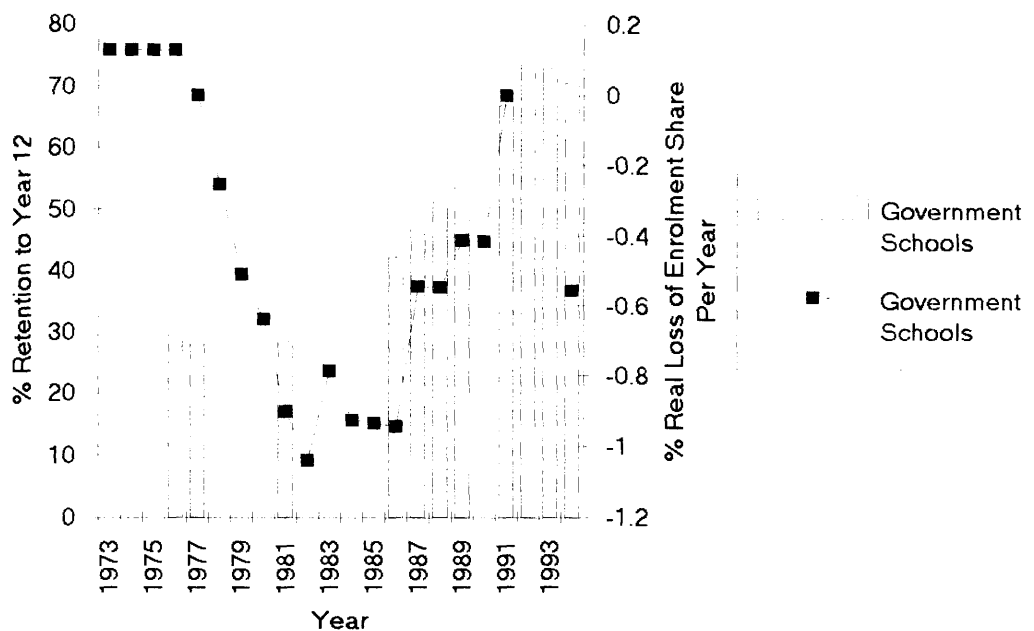


Source: Statistical Annex: National Report on Schooling, 1989, 1990, 1991, 1992, 1993, 1994. Australian Education Council
 NB. Apparent retention rates show the percentage of students who continued to year 12 from their respective cohort groups at the commencement of their secondary schooling. Care should be taken in interpreting the results, as a range of factors affecting their calculation have not been taken into account. Eg. Comparison between the government and non-government sector should be made with caution, due the effect that transfer from government to non-government schools has on apparent retention rate figures. (Australian Education Council, 1990 p17)

Figure 3.5

Retention of Students to Year 12 in the Government Sector Shown
as a Percentage 1973-1994 - Column Graph

Overlaid with: Percentage Real Loss of Enrolment Share Per Year Over the Same
Period - Line Graph



Source: Statistical Annex: National Report on Schooling in Australia, 1989, 1990, 1991, 1993, 1994. Australian Education Council

Finally the most crucial factor associated with the growth in the non-government sector, was the obvious increase in Federal financial support (Watson, L. 1997, pers. comm. May 5). In dollar terms, the amount of funding being made available to the non-government sector was increasing at a surprising rate. Since the 'token' levels of grants in the mid 1960s, government grants to non-government schools had risen to 8 per cent of total final expenditure on education in 1981-1982 (Williams, 84, p318). This increase could have been attributed to the Karmel policy of funding on a needs basis, as well as to the growth in school numbers and enrolments. (See Table 3.2) Part of the dramatic increase in recurrent grants to non-government schools was certainly

due to the substitution over time of lay for religious teachers in Catholic schools (Williams 1985, p623). The Schools Commission estimated that in 1974 the value of contributed services was equivalent to 26 per cent of (non-contributed) recurrent expenditure in all private schools and 43 per cent in the Catholic sector. By 1981 contributed services were estimated to have fallen to the equivalent of 10 per cent of recurrent expenditure in all private schools and 14 per cent in the Catholic sector (Williams, 1985, p623). As the Catholic sector made up 78.5 per cent of the private sector in 1980 (Statistical Annex, 1989, p19) then a difference of 29 per cent in contributed services in 1981 would have amounted to a substantial proportion of the recurrent budget. Other factors, as well as the above, could well have attributed to the increase in recurrent funding. These factors are not of great importance. The point being made is that funds being allocated to private schools was increasing. It was this element that contributed to the demands instigating the need for policy change.

Table 3.2
Federal Funding to Government and Non-Government Schools, 1972-1983
(\$Millions)

Year	Government Schools	Non- Government Schools
1972.....		44.4
1973.....		67.6
1974.....	117.9	110.6
1975.....	186.7	133.8
1976.....	225.8	183
1977.....	235.5	205.2
1978.....	242.5	237.2
1979.....	266.7	277.9
1980.....	307.4	345
1981.....	355	439
1982.....		
1983.....		

Source: Australian Bureau of Statistics, Year Book, "Expenditure on Education Australia", Vols. 1974-1982

From the table, over the period, the amount of Federal funding made to each sector was increasing. While each areas assistance was growing, an examination of the ratio

of public to private funding ($\$/\text{non-government} / \$/\text{government}$) reveals that the private sector was receiving an increasingly greater share of funds. (See figure 3.6)

Figure 3.6
Ratio of Public to Private Commonwealth Recurrent Funding to all Australian Schools 1974-1981



Figures calculated by dividing non-government recurrent funding by government recurrent funding, figures from table 3.2
Source: Australian Bureau of Statistics, Year Book Australia, "Expenditure on Education Australia", Vols. 1974-1982

From the graph it can be interpreted that in 1978 the ratio of government to non-government Commonwealth recurrent funding allocations was approximately equal, or of a ratio of 1:1. In 1980 it had risen to a ratio of 1:1.236, or non-government recurrent allocation was 124% of the government allocation.

A similar picture can be seen by looking at the real increase of funding to each sector. (see figure 3.7, which uses nominal dollar values) By comparing the growth in funding of the two sectors with the rate of inflation it can be shown that in real terms the non-government sectors funding was growing at a rate greater than both the government sector and the inflation rate. While it was necessary for recurrent funds to

both sectors to increase at a rate greater than the inflation rate in order for schools to meet the goal of national levels by 1979 set out in the Karmel Report, (ie. an overall increase of 40% for Primary, and 35% secondary recurrent funding for government schools by 1979) the concern was that the non-government sector was approaching that target, and in many instances passing it, while the government schools were lagging behind. Williams' (1985) found that private schools had indeed used the increased government funds to increase services offered to their clientele without increasing their fees (Williams, 1985, p627). The concern was however, that with an increase of services along with a stable fee base, more parents would be inclined to transfer their children to the private sector. Williams' suggested in his paper The Economic Determinants of Private Schooling in Australia that with each \$100 increase (1979-80 consumer prices) in government per capita grants to private schools it was estimated to raise the proportion of students enrolled in private schools by around 1.5 percentage points (Williams, 1985, p627).

Figure 3.7

Growth in Commonwealth Recurrent Grants to Education by Sector, Compounded with Rate of Inflation, 1972-1982



Source: Australian Bureau of Statistics, "Expenditure on Education Australia", 1974-1982 volumes.

In summary, the following factors: a) an increase in the number of non-government schools, b) a shift in enrolments, and c) a rising level of funding being made available to the private system, placed pressure, or demands, on the Labor government when it was re-elected in 1983 to instigate policy change. The factors were seen by Labor proponents to undermine the public system of education in which they firmly believed.

The above concerns were voiced in the Commonwealth Schools Commissions report "Quality and Equality" in 1985. ¹ In that report it stated that the Commonwealth felt that it had a responsibility to support the education of all children by promoting quality and equality in government and non-government schools. To do this it stated a belief in a dual system of education but with a clear commitment "to a *stable*, planned and long term scheme for the provision of general recurrent funds to government and non-government schools" (CSC, 1985, p2). Until that point the two sectors of schooling had been far from stable, as seen above. The report went on to state explicitly its concern with the level of funding being made available to the private sector. In paragraph 2.45 (p19) while recognising the real increase in funds being made available to schools by the Commonwealth, an increase of \$342m or 35.4% from 1976-86, it pointed out that all except \$2m was the result of Commonwealth policies for providing general recurrent grants for non-government schools. The increases in Commonwealth general recurrent grants for government schools, and for specific purpose programs for government and non-government schools had been

¹The Commonwealth Schools Commission was established as a statutory body by the Schools Commission Act 1973. "The central clauses of the Act being 13(4a) the primary obligation ... for governments to provide and maintain government schools systems that are of the highest standard and are open, without fees of religious tests to all children; and 13(4b) the prior right of parents to choose whether their children are educated at government or non-government school (Mortensen, 1985, p115.)." It had originally arisen out of a desire within the Labor party to heal the rifts between various factions over the State-aid issue. (Foster, 1987, p218)

generally off-set by reductions in Commonwealth capital grants for government schools (CSC, 1985). Government schools were seen by Labor proponents and Commonwealth Schools Commission to be suffering at the hands of the private sector. The Commission had concluded in April 1984:

The large increases in Commonwealth general recurrent grants to non-government schools over the past decade may have had the practical effect of restricting the Commonwealths capacity to provide for expansion of other programs, including general recurrent grants for government schools (CSC, 1985, p19).

Summary

The above chapter has traced the history of funding to non-government schools to the initiation of the New Schools Policy. In so doing it has illuminated the historical aspects, or issues, that forced the Labor Party under the leadership of Mr Hawke, to take authoritative action. These issues can be summarised in the following; an interest or preference for the value of equality over efficiency and liberty; and a support for public schools that provide an education for all Australian children on the grounds of equity.

The issue of a New Schools Policy further arose with a genuine concern on Labor party's part for an eroding public schools system under the influence of a growing non-government sector. Under Fraser between 1975 and 1983, a less sympathetic attitude to the 'needs' approach and a greater stress on individual choice, saw a re-establishing of a generous 'nexus' with government school costs for even the wealthiest category of private schools, and a consequent acceleration of the total proportion of Schools Commission funds going to private schools. By the end of the Fraser era the 24% of students in private schools were receiving 56% of the Schools Commission recurrent budget (Smart, 1987, p144). It was the opinion of the Labor Party and the Commonwealth Schools Commission that this increase of Federal funding to the non-government sector had been at the expense of government schools.

These issues confronted the Hawke Government when it came to power in 1983. In Mortensen's opinion (1987), the Labor Government was primarily concerned with the steady movement of pupils from the government to the non-government sector and the consequent change in the direction of Federal funding. This would appear to be the implicit reason behind the Labor Government's authoritative action towards the addressing of the above issues. While never being formally stated in official documentation this implicit intention was alluded to in the policy documents of the Schools Commission, the directives of Susan Ryan to the Panel of Commissioners appointed to review the issues in 1984, and Panel's Report on New Non-Government Schools 1985, all of which will be outlined in detail in the following chapter. Explicitly the Labor Government intended to address the issues of the impact of a growing private sector on public schools, the threat to the value of equity for all students, and the lack of appropriate planning of some non-government authorities. In its pre-election statements in 1983, Labor promised to tackle these issues if elected (Smart, 1987, p143). Authoritative allocation needed to be taken by Labor in order to initiate and maintain stability between the two systems, and restore faith and equity in the public system.

Chapter 4:

Policy Formulation and Authorisation

There was strong feeling amongst the socialist Labor Party that Fraser's Liberal Government had destroyed the peoples' rights to equal opportunity. This feeling was expressed in Bill Hayden's essay, The Contemporary Implications Of Democratic Socialism. It read;

A decade after the election of the last democratic socialist government, this community is being blighted by rampant injustice and persistent assault on the principle that the people have the inalienable right to equality of opportunity - all as a consequence of the grotesque social and economic policies of the Fraser Government (Hayden, 1982, p 1).

The ideology of equality of opportunity had been assaulted on all fronts, including education. Hayden was adamant that *when* they regained power in 1983, "the Labor Party needed to stay in power long enough to transform society into a fair and just one where equality of opportunity is deeply rooted into our system" (Hayden, 1982, p9). Educational proponents of the Labor Party saw that if and when they regained power they would need to "redress the balance of funding between state and private schools which was upset by the Fraser Government. It must reassure those who rightly see the maintenance of public schools as the 'primary obligation' of any government" (Bennett, 1982, p176).

The issues and problems were clear. When Labor did regain power in 1983 under the leadership of Bob Hawke, they faced a diminished emphasis on the value of equality of opportunity, reflected in an undermined and diluted public education system. Private school numbers had increased, enrolments shifted, and funding to the private sector had dramatically increased at the expense, as socialist proponents saw, of the public sector. These issues and problems were further reflected in reports in the National Times. Headlines like "Need and Greed in Private Schools," (Johnson, 29th

Aug-4th Sept, 1982) and "Dawkins Stakes Future on Rolling Private Schools," (Kitney, 7-13 Nov, 1982) reported that the philosophies of the Karmel report had not worked under the Fraser Government. Dr Ken McKinnon, chair of the Commonwealth Schools Commission at the time, had told the National Times that a number of problems in the needs scheme had become well known to the Commission over a period of years. Several options had been put to the Federal Government, however the government had done nothing (Johnson, 29th Aug-4th Sept, 1982). These problems were associated with the obvious abuse of the "needs programs". Many private schools receiving funding had facilities and equipment far superior to that found in government schools. At the same time there were obviously wealthy private schools who were receiving the same level of funding as 'needy' schools because they had found anomalies in the funding formula (Johnson, 29 Aug- 4th Sept, 1982). Policies obviously had to be changed or developed.

One associated policy was the Schools Recurrent Resources Index, (SRRI). In 1984, under the Labor Government, the Educational Resources Index (ERI) was instituted to arrest the anomalies in the needs funding scheme previously calculated by the SRRI formula. Until that point schools had found loop holes in the funding formula by sinking private income into capital works, and then claiming that they had a 'need' based on everyday running costs were able to claim a lower funding category (Johnson, 29th Aug-4th Sept, 1982). The new formula placed schools into one of twelve categories rather than the previous three. (The original 8 SRRI categories had been compressed into 3 for administrative purposes by the Liberal Government.) Assessment of each schools level of income included funds from private sources and income for capital works to produce a fairer and more equitable funding policy.

Another issue that the Labor Government faced was the obvious proliferation of new non-government schools. The Karmel Report had not appropriately addressed the issue of conditions for Commonwealth funding for new non-government schools

based on the assumption that the likely effect of its recommendations would be that the private sector would retain its existing level of enrolments, or even lose a percentage (Connors, 1996 pers. comm. 1st Oct, also Chapter 3). Steps were needed to address the issue and stabilise the growth in order to protect the government system. One of Labor's priorities then, was to look at funding policies to new non-government schools.

After the election of the Hawke Labor Government in 1983 additional pressure to initiate policy change came from two groups, the Expenditure Review Committee and the Australian Teachers Federation. This chapter will firstly examine the pressure from these two groups on Labor authorities, giving a greater understanding of the objectives of the policy actors and the driving forces behind the New Schools Policy. It will then explore Harman's second stage in the policy process; that of policy formulation and authorisation. In looking at the formulation of the policy, the chapter will focus on the interim policies implemented by the Department of Education and Youth Affairs and the commissioning of the Connors Panel whose recommendations and report became the New Schools Policy. In focusing on those documents further evidence for the policies explicit and implicit intentions will be revealed. Finally, in examining authorisation, the reactions of the coalition and main stakeholders will be stated leading up to the passing of legislation that saw the implementation of the new schools policy in 1986. By examining the reactions of the opposition the ground will be laid for the reason behind the policies eventual abolition upon the re-election of the Coalition in 1996. The chapter will answer the questions: Who were the main organisations and what were the objectives of the actors that influenced the formulation of the policy? and; What were the explicit and implicit intentions of the policy makers when formulating and authorising the New Schools Policy?

Election of the Hawke Labor Party

Leading up to the election in March 1983, Labor's Shadow Minister for education discussed and stated issues pertaining to private and public education in black and white. His statements further reflected the feelings held by Bill Hayden, and educationalist proponents of the Labor Party. In a speech to the New South Wales Teachers Federation (NSWTF) in 1982, John Dawkins stated Labor's policy towards non-government schools. It Stated that

a Labor Government would not provide funds to support a superior level of resources in non-government schools. There would be restriction on the unplanned development of new schools. Policies by which Commonwealth funds for schools are provided in the context of the achievement of agreed resource standards in all schools will eliminate the built in drift of funds from government schools to non-government schools (Mortensen, 1985, p176).

Labor's concern was based on the belief, that in practice, significant proportions of State aid were subsidising and encouraging an elitist "sorting dynamic". This dynamic was creaming off upper-middle class students and weakening the student population of government schools, which still must serve three-quarters of the population. At the heart of continuing tensions over State aid to private schools were divisive issues of social class, privilege, and elitism versus social justice and the maintenance of quality schools for the masses (Boyd, 1987, p166; Hogan, 1984; & West, 1983). The impact on government schools by the creaming off process was recognised by Professor Grant Harman (1983). Speaking of Victorian high schools he said they were:

undoubtedly inferior compared to the better non-government secondary schools. They are also seen to be inferior by parents who send their children to non-government schools, and often by many parents and students who support public education. I know of no other high schools system in the world where so many of those who run the system, from senior officials to school principals and to classroom teachers, send their own children to non-government schools. It is no wonder then that morale and aspirations in high schools are low, especially when so many high school buildings confirm the message of inferiority and mediocrity. (Harman, 1983, p31)

Davidson, (1984) made similar comments. In The Age (1984, 28th Nov.) Davidson was quoted saying: "If present trends continue, the middle classes will cease to be represented in Australia's [State] secondary schools except in front of the blackboard." In the Labor Party's mind must also been the concern that if the cost of non-government schools was lowered through more favourable funding levels, the rate of middle-class abandonment of public schools may greatly increase (Boyd, 1987, p172).

When the Labor Party did regain power in 1983, Susan Ryan was given the Education Portfolio. Senator Ryan was an ardent feminist, who according to Joan Kirner, had "the intellectual ability and philosophical commitment to take on the hard education issues such as: public verses private schooling, equality of opportunity, parental involvement and access to decision making, and the establishment of links between such areas as art and education" (Maslen, 1983, 15th March). At the time she was a very strong supporter of public education expressing the view that "public education is under attack" (Mortensen, 1985, p186). Senator Ryan would express her philosophy in no uncertain terms, her personal philosophy being consistent with that of the Labor Party, and not unique (Mortensen, 1985, p186). That philosophy was based on the 1973 Karmel Report, being one of equal opportunity, funding on a needs basis, and a support for the public sector of education. Senator Ryan's view on private education was based on a concern for 'needy' children, not the rights of their parents. Her guiding principles were revealed in an address at Danebank Church of England Girls School, on the 24th of September in 1983. The address contained the following:

We accept the responsibility to provide public funds to support such choices but the extent to which such subsidy is provided will be on the basis of need. This approach is in conflict with the view espoused by some people that parents who choose non-government schooling for their children have a right or entitlement to government funding of that choice because they are taxpayers. The argument is, of course, specious. No one would argue that their share of the transport budget should be returned to them to subsidise their use of a private vehicle. A government has an obligation to provide services and facilities and to make them available to the public. Freedom of choice is not the issue. What is at issue is whether the choice should be publicly funded and, if so, to what extent (Mortensen, 1985, p188).

As previously stated, these views, while being strongly expressed in a 'private' school, were not hers, but espoused by the Labor Party throughout the last decade. It should be noted here however, while many proponents of the Labor Party were vehemently opposed to private education, and "were committed to the welfare of the public system", (Mortensen, 1985, p159) the Labor Party had accepted the support of the dual system of education, (ie. public and private) and the obligation to help non-government schools with low resources (Mortensen, 1985, p159).

When Senator Ryan took office as Minister for Education, she was aware of the issues pertaining to public education. She was also under considerable pressure from the Cabinet's Expenditure Review Committee (ERC) to find 'savings' in the education budget (Watson, L. 1997 pers. comm. 5th May). She managed to do so, and in Labor's first budget since coming to power in March 1983, a cut was made by progressively reducing the Commonwealth grants to the 'top' private schools by 25%. These were schools which had the capacity from their cash income from private sources to operate at 95% or more of average government school standard costs (Australian Treasury, 1983, p88 & Department of Education and Youth Affairs, 1983, p7). This cut amounted to \$4million, and made from reducing the grants of 41 'elite' schools (Watson, 1997, pers. comm. 5th May, & Howard, 1983, p2595). The rationale for this cut possibly originated from the original Karmel Report suggestion to phase out funding to the top private schools, (Karmel, 1973, p7, 71) and from the Senator's and Labor Party's ideology on non-government education.

With the announcement of the funding cuts, Senator Ryan stated that the Commonwealth wished to review all general recurrent funding policies (Department of Education and Youth Affairs, 1983, p6). These two announcements caused a major political uproar amongst the major stakeholders in the non-government sector, particularly Catholic Education Authorities (Preston, 1989, 1, & Watson, L. 1997 pers. comm. 5th May). There was a grave fear that the divisive state aid debate had

arisen again, and there was the very real possibility that non-government schools may face further cuts. A public meeting of over 7000 people was held in Sydney opposing the cuts to the 41 schools and demanding stability of funding to private schools (Preston, 1989, p1, & Howard, 1983, p2595, & Watson, L. 1997, pers. comm. 5th May). As Stuart Macintyre pointed out in his chronicle of the pursuit of social justice in Australia, "The clients of the wealthy schools had the confidence, the means and the expertise to ensure they were heard" (Macintyre, 1985, p116). However, the concerns of the public, and stakeholders were not suitably answered (Howard, 1983, p2595) and so a meeting with Susan Ryan and the Catholic Bishops was organised and held (Watson, 1997, pers. comm. 5th May). To quell the political unrest, the major stakeholders, namely Catholic Authorities, were given a promise of an eight year funding plan which offered stability in funding arrangements for existing non-government schools. (Watson, L. 1997, pers. comm. 5th May)

Along with the ERC, Ryan was under pressure from the Australian Teachers Federation to embrace funding issues related to government/non-government education. The Federation had at its head Mr Van Davy, also a member of the Schools Commission, who believed that a zero option of funding for non-government schools must be a consideration of the Schools Commission (Howard, 1983, p2595). Mr Davy's belief held considerable political weight, as teachers unions of Australia had donated \$750 000 to the Labor Governments election campaign effort and in the words of opposition leader at the time, John Howard, "one would have to be enormously charitable to believe that the Labor Government would not be influenced by the size of that donation when it came to funding decisions on education" (Howard, 1983, p2595).

After the resolution of the eight year funding plan, the nature of the historical factors and pressure from the Australian Teachers Federation and the ERC, drew Ryan's attention to the contentious issue of small, non-systemic private schools to find

budgetary savings. The issue was based on concerns, and at times bitter conflicts between interest groups over the establishment of small unorthodox schools. In the early 80's several bitter disputes of this kind broke out. A particularly worrying one involved a government school which was closed down for lack of enrolments was then sought by Jewish Day School Authorities for the establishment of a private school. Strong arguments on the grounds of equality and economics arose. It was asked, for example, why, if a government could not economically keep open a public school due to falling enrolments, should public funds be given to private groups to run their own schools for particular groups (Connors, L. 1996, pers. comm., 1st Oct. & Hinds, J-M, 1997, pers. comm. 20th Feb)? This was argued particularly where proposed new schools were seeking to commence with even smaller numbers than were in the public school that had been closed (Connors, L. 1997. pers. comm., 21 Nov.). These were indeed very valid points of contention.

Senator Ryan voiced these concerns when in November 1983 she appeared on the 'Four Corners' program. She stated that she was particularly concerned about the proliferation of schools "which do not seem to be appropriate for a tolerant democratic society". Particular mention of the 'cult' schools that were appearing was made, with a specific mention of the Hare Krishna schools (Mortensen, 1985, p236).

While the new schools policy was based on Labor's ideology of equality of educational opportunity and the perceived threat to government schools because of the increased growth and funding of the non-government sector, it would appear that it was driven by financial constraints. Senator Ryan was under pressure from the ERC to find savings to the education budget and because of the pressure from the Labor educational proponents (Bennett, 1982, p176) and groups such as the Australian Teachers Federation, looked at the issue of new non-government schools. This was an area that would not threaten the power held by the Labor party as the main non-government stakeholders had been quietened with the promise of an eight year

funding plan. Ryan proceeded to take steps to arrest the growth in the private sector, and protect the 'diluting' public system. She examined and took authoritative steps in the formulation of new schools, their registration, and grants.

Formulation

The formulation of the new schools policy began in July 1983 with interim funding guidelines to new non-government schools, released in Participation and Equity - Funding Guidelines to the Commonwealth Education Commissions for 1984. In that document the Labor Government stated its educational objectives. These objectives included the following:

- a) To assist schools to give a positive and effective education to all children, and to make substantial progress towards the more equal distribution of other outcomes of education such as access to paid employment, and higher education.
- b) To assist schools to respond effectively and appropriately to the diversity of Australian society.
- c) To assist and help shape economic recovery and development.
- d) To restore the community's confidence in the Government's determination to give all children access to properly staffed and equipped schools (Department of Education and Youth Affairs, 1984, p1).

To these ends the Labor Party reaffirmed its determination to allocate resources on the principle of 'need', first introduced in 1973 in the Karmel Report. In doing this, and by standing by its objectives, the Labor Government wished to "improve public confidence in government schools in Australia", "restore stability and predicability in funding arrangements for government and non-government schools", and "to provide for better planning and improved co-ordination in relation to the development of new non-government schools" (Department of Education and Youth Affairs, 1984, p1-2).

Further in the report the issue of new schools was addressed. While the Government affirmed its financial support for the establishment of new non-government schools, it implemented certain revisions to the policies which have applied in the past. New

guidelines were released stating that new schools needed to demonstrate through State registration processes that they are able to offer adequate educational programs, have reasonable prospects of long term viability, and in the case of proposed operation in established areas, that there will not be a significant negative impact on existing government and non-government schools (Department of Education and Youth Affairs, 1984, p7). Specific details of the new guidelines were set out in Attachment B of the report. Attachment B has been included as Appendix B on page 163.

The directives of the guidelines were relatively unsurprising except for the notion of 'impact'. It was this notion that was to form the basis of the New Schools Policy. It received mixed reaction. The following statement in The Australian Financial Review on the 6th of July, 1984 indicated one of those reactions. In it was stated that "the very notion of an 'impact' statement on the establishment of new schools is an absurdity. The worse the public schools become as a result of the activities of the Australian Teachers Federation and its affiliates, the more necessary new independent schools become, and the greater their adverse impact on public schools."

In April 1984, the Commonwealth Schools Commission released its discussion paper Funding Policies for Australian Schools. At the outset the report acknowledged the Commissions obligations under its Act, both to have regard to 'governments primary obligation to provide and maintain public schooling of the highest standard', and to have regard to the prior right of parents choose of government or non-government schools for their children'. As to the former obligation it acknowledged that significant modifications to existing funding policies were necessary to ensure that the Commonwealth more directly supported public education. To the later, it acknowledged the continuing debate about the extent that the Commonwealth should fund parents' choice (Smart, 1987, p146).

The report reiterated the complex and sensitive issues pertaining to non-government schools that had arisen over the past decade. Paragraph 3.53 of the report outlined a stream of issues including; "tensions between principles of providing for relatively unfettered freedom of choice of schooling and the maintenance and improvements of educational standards in existing schools" (Commonwealth Schools Commission, April 1984, p54-55).

The document went on to point out that the issues did not lend themselves to easy solutions. At their core, it was recognised, were central issues of the changing size, age structure, composition, distribution, values and preferences of Australian society that placed demands on the education system (Commonwealth Schools Commission, April 1984, p55). The urgency for policies to be formulated where both sectors work together for the co-ordination and planning of school services both in established and developing areas, and perhaps for States and the Commonwealth to dove-tail their policies, was stressed. It stated that a special review of the issues outlined in paragraph 3.53 should take place involving the establishment of a working party with representatives of State and Commonwealth Governments, non-government schools, and other interested parties. In the meantime the Commission proposed several changes should be made to the funding arrangements for new non-government schools. These proposed changes are set out in Appendix C on page 165.

Based on the list of issues stated in the document 'Funding Policies for Australian Schools' the Commonwealth Schools Commission was explicitly concerned with the impact that new schools would have on existing ones, both government and non-government, and the lack of planning that had occurred in the past that had failed to assess the possible impact, and economic viability of new schools. (eg the cumulative impact of new small non-government schools... in making assessments of the impact of new schools...the tension between financial viability for new non-government schools....Commonwealth Schools Commission, April 1984, p55)

In the 'Participation and Equity' document these explicit concerns had also been raised, however, embedded in the 'Participation and Equity' document was the Labor Government's implicit intention to steady the flow of students from the government to the non-government sector. It stated that the Labor Government wished to "improve public confidence in government schools in Australia" (Department of Education and Youth Affairs, 1984, p1). One obvious political way to do this would be to dampen the growth of schools and places in the non-government sector which would physically inhibit parents from moving to the non-government sector. The new stability it would create would give the statistical appearance that the public's faith in the government sector had been restored. This hypothesised implicit intention is also supported in the statement, "restore stability and predicability in funding arrangements for government and non-government schools" (Department of Education and Youth Affairs, 1984, p2). Stability would be attained by dampening the flow from one sector to the other, which was the cause of the imbalance and rapid growth of financial resources being allocated to the non-government sector during the Fraser era. The obvious payoff of this move would be a reduction in the yearly growth of the general recurrent budget, an aspect that Senator Ryan was under pressure from the ERC to find. This implicit intention may have been connected to statements from the early 1970's where many Labor proponents wished to see non-government students absorbed by the public schools, and eventually all education come under the banner of government schools. (Chapter 3) This can only be surmised however, and has only been stated as 'food for thought.' Further evidence, however, of this implicit intention, supported by Mortensen, can loosely be seen in Senator Ryan's letter to Dr Tannock on the 14th of August 1984, but more solidly in statements made by the coalition and interest groups throughout the life of the policy, all of which will be examined in the next section and following chapters.

On the 14th of August 1984, the Commonwealth Government released its guidelines to the Commonwealth Schools Commission. In it Commonwealth Government raised a number of concerns relating to the funding of new non-government schools. These issues and concerns had been raised earlier in the year in the Commonwealths School Commission's Funding Policies for Australian Schools. In response to these issues the government decided that from 1985, new schools, as a condition for recurrent funding, had to meet the enrolment guidelines accepted by the Australian Education Council; Commonwealth establishment grants would only be made to new non-government schools serving developing areas; and in principle, authorities seeking recurrent funding for new schools, or new places in existing schools, would be required to give 24 months advanced notice. The Schools Commission was to appoint a panel of commissioners to work to Ministerial guidelines, to draw up proposals for co-operative arrangements at the State and Territory level, for the notification and assessment of applications according to negotiated set of priorities to enable the Commonwealth to budget for this program from 1986. No changes were to be implemented until the fullest possible consultation had taken place (Ryan, 1984, p5-6).

On the same day the guidelines were released, the 14th of August 1984, Senator Susan Ryan sent a letter to Dr Tannock, chairman of the Commonwealth Schools Commission. In it, it raised a number of directives relating to the funding of new non-government schools. (see Appendix D on page 166)

The terms of reference alluded to the implicit intention of the Labor Government to address the issue of the steady movement of students from the government sector to the non-government sector. This was implied by the obvious fact that the Panel should address issues pertaining to new non-government schools, and not new government schools. This was recognised by the Australian Parents Council (APC) in its review of the Connors Report in May 1985 (Australian Parents Council, 1985,

p11). However, the argument that APC raised was quite simple but specious. It ignored the fact that State and Territory governments do not seek Commonwealth funding for the purposes of opening new government schools; and that, moreover, the planning and funding of new government schools is undertaken in response to changing demography (Connors, L. 1997, pers. comm., 21 Nov.).

Explicitly the proposals were intended to enable the Commonwealth to budget for general recurrent funding of new non-government schools from 1986. While this was a genuine concern, this statement could also be loosely used to support the hypothesis that the government implicitly wished to stem the flow of students from the government schools to non-government schools and induce stability between the two sectors, ultimately saving Commonwealth funds. By outlining a set of guidelines for the assessment of applications for recurrent funding, under the premise of enabling them to budget in advance, (and most non-government schools need some form of funding to assure their survival by making them affordable to their clientele and indeed had been promised funding by the Labor Government in its guidelines to the CSC on the 14th of August, 1984 (Australian Parents Council, 1985, p12). The government could steady the growth of new schools through approval and rejection, and therefore produce stability. This is only circumstantial evidence however, but the hypothesis that the government wished to invoke stability between the two systems was realised by Lyndsay Connors, Chairman of the panel of Commissioners appointed to propose policy changes (Connors, 1996, pers. comm. 1st Oct.). More decisive evidence can be seen in the coalition's and interest group's perception of the intentions of the policy outcomes, which will be examined in subsequent chapters.

The panel, chaired by Lyndsay Connors, a strong public school supporter, (Lambert, 1997, pers. comm. August 12) was a diverse one, being made up of Commonwealth School Commission representatives from both the government and non-government sectors including one representative from the Department of Education, and three

from the non-government sector, two being from the Catholic Education Office, and one from the Jewish Day School Authorities.¹ The panel was to work to the guidelines set by the Minister of Education, Susan Ryan, while espousing the central clauses of the Commission, that being; 13(4a) to maintain government schools systems that are of the highest standard and are open, without fees or religious tests to all children; and 13(4b) the prior right of parents to choose whether their children are educated at government or non-government school (Mortensen, 1985, p115.).

The panel was under the understanding that no changes to existing policies were to be made until the fullest consultation with school authorities had been made (Ryan, 1984, p5-6). With this in mind, the panel consulted the majority of non-government authorities, and educational bodies.²

Although originally asked to submit its report by the 15th of November 1984, the panel sought an extension, and on the 14th of February 1985, the Panel of Commissioners submitted its final report Planning and Funding Policies for New Non-Government Schools, which provided advice on Commonwealth funding policies for new non-government schools. The report firstly outlined the demands and constraints on the government to instigate a change of policy. These demands, outlined in the previous chapter, followed the release of the Karmel report and its standing on the funding and philosophy of education, through to the Fraser era, where there was an increase in the numbers of schools, and enrolments in the non-government sector. The implications of these issues were discussed and formulated the basis of the recommendations of the panel.

The panel found that in the past much of the new non-government school development had been characterised by co-operative and efficient planning (Connors,

¹The composition of the Connors Panel is contained as Appendix E on page 168.

² The list of bodies and authorities who made submissions to the Connors Panel is contained as Appendix F on page 169.

1985, p8). However unco-ordinated planning had been to the detriment of the students of the individual schools, particularly when schools had ceased to exist because authorities lacked expertise and inadequate forward planning had taken place (Connors, 1985, p12). For example, in 1977 Senator Carrick had noted that: "During the three year period 1974-76, more than 60 non-government schools closed. Included in these figures were 10 closures in the top categories, that is, the so called wealthy schools" (Mortensen, 1985, p34)³. The closures were put down to demographic movements that reduced enrolments and adversely affected the classification of funding. It was even heard that there were numerous cases where, in the interests of the students, schools had to be bailed out with capital grants because they had established schools that were too small or inadequate, or entered into short term lease arrangements and then at the end of the lease period had nowhere to go. In other cases, schools had simply allowed their enrolments to increase beyond capacity (Hancock, in Mortensen, 1987). To eliminate this lack of planning the panel recommended 'that Commonwealth and State Ministers for education have discussions with a view to establishing Joint Planning and Co-ordinating bodies at the State level.' The responsibilities of these bodies were to include 'advice to the Commonwealth Minister on priorities for new non-government schools according to guidelines proposed' (Connors, 1985, pix).

The notion of impact, first raised in Funding Policies for Australian Schools, 1984 and Participation and Equity - Funding Guidelines to the Commonwealth Education Commissions for 1984, was considered as a major tension requiring action by the panel. Submissions to the panel documented many forms of negative impact that could, and did, result from the establishment of new schools. Negative effects include; reduced services and cuts in curriculum and extra curricular activities in existing schools; distortions in the ability and socio-cultural mix resulting from new

³ The 'top categories' of schooling included a number of very small schools with high teacher-student ratios. It was these rather than the schools serving wealthy families, that were most vulnerable to closure (Connors, L. pers. comm., 21 Nov.).

schools catering exclusively for particular ability; socio-economic, ethnic or cultural groups and cost increases and imbalances resulting from enrolment changes, including the opportunity costs of educational improvements foregone (Connors, 1985, p14).

Other tensions included; the government's acceptance of a dual system of education which included the acceptance of a publicly funded non-government sector, but which required a need for careful planning in a manner which would promote social harmony, educational co-operation, and the planned efficient use of resources (Connors, 1985, p2); the recognition of strong competition between the two systems for students, but a competition that was likely to be based on economic, cultural or religious differences which would likely create a risk of serious community conflict (Connors, 1985, p11); and; the recognition that most of the new development in the non-government sector had been characterised by co-operative and efficient planning, but there was wide spread difficulty in planning for overall enrolment decline and shift and the limits in public funding had created tensions in the community, highlighting the need for co-operative arrangements and policies (Connors, 1985, p8, p10, & p13).

In summary, the Connors' recommendations were aimed at setting criteria for the securing of Commonwealth recurrent funding by new non-government schools. They aimed to ensure that certain physical and educational standards were met in all schools, both those already in existence and those proposed. The report used the notion of 'impact' as a basis of their argument, raising the possible negative impacts that new schools could have on existing schools, both public and private, citing curriculum, staffing, extra-curricula activities, as examples. To this end, the report recommended that new schools serving growth areas, ie. greater than 2% population increase per annum, receive high priority for funding, while those proposed in declining areas, the lowest priority (Connors, 1985, pviii & pp20-23). The report also

aimed to ensure the new non-government schools were properly planned, and that funding responsibilities and commitments were clearly articulated. This was termed 'planned educational provision' or PEP (Connors, 1985, pvii). The objectives of PEP were to again ensure that all children had access to appropriate standards of schooling services and facilities, and to achieve an economic use of available resources (Connors, 1985, pp14-15). A primary purpose of the the recommendations was to allow governments to budget in advance for new government schools (Connors, 1985, pvii). It was for this reason that schools were required to give 24 months' notification to the Government prior to commencement, along with specific details pertaining to enrolment figures.

On the surface, the recommendations were a fair, and justifiable way of suggesting the distribution of funds to new schools. They were to protect existing schools by ensuring that all new non-government schools were adequately planned, feasible, and were viable for the long term to ensure that all students were protected, and received an equitable education. Implicitly the recommendations were obviously designed to protect existing educational structures, both government and non-government by restraining the funding of new schools and new places (Preston, 1989, p5). However, the opposition saw that implicitly they were an attack on the non-government sector in order to protect a diluting government system.

Authorisation

Senator Grimes, speaking on behalf of the Minister for Education, said that: "The Government has accepted all of the recommendations of the (Connors) panel, and is confident that the implementation of these recommendations will lead to a more equitable and efficient approach to the planning and establishment of new non-government schools, to the benefit of all Australian children in government and non-government schools" (Grimes, 21 March 1985, p 531).

The opposition reacted to the recommendations with statements such as: "We reject entirely the idea of putting into the hands of this Government a budgetary capacity to give no funds at all for the support of some Australian children..." - Senator P.Baume, Liberal Party (Baume, 21 March 1985, p534). "If co-ordinating bodies are established at a State level - in my State of Queensland the chance of that happening will be pretty remote... If a State education authority with all the planning tools available to it cannot make predictions even twelve months ahead, private schools should not be expected to make long range predictions of enrolments." - Senator M. Macklin, Democrats (Macklin, 21 March 1985, p535 & 538).

Senator Teague stated: "The opposition has no quarrel with the extension of non-government or government schools, according to parental choice, but we reject entirely to the preclusion in those guidelines of the most important factor that has lead to the expansion of non-government schools in this country." It is difficult to ascertain what Teague was referring to when he referred to the most important factor, but it is easy to infer his impression of the policy, that it was to restrict the growth that had occurred by precluding that factor (Teague, 21 March 1985, p541) .

Senator Baume, when debating the topic, referred to the principle of equity, and pointed out that when speaking of equity, he was referring to the choice of parents, rather than an inflexible principle of maintenance of the 'strength' of the government sector (Mortensen, 1987, p99). This reference indicates that he had the opinion that implicitly the Labor Party were wishing to protect the government system. His comment was based on the impression that the panel regarded the growth of non-government schooling as a threat to public schools. The panel intended to maintain a balance of enrolments between the two systems (Connors, 1985, p 7, & Mortensen, 1987, p95). While this was so, nowhere was balance defined. Since enrolment percentage figures had been fluctuating back and forth between the two systems since

1965, (Mortensen, 1987, p95) it would have been logical to state exact percentage figures when referring to balance.

Other authorities and organisations saw the future of new non-government schools being restricted on the basis of budgetary constraints. Catholic education authorities particularly, wanted an assurance that the rights of small partners in the planning process were safeguarded, stating that they would find it unacceptable if the government could restrict by a budget limit alone the number of students in new non-government schools for whom it would provide recurrent funding (NCEC, 1985, 21st March, in Mortensen, 1987, p100). On the 20th of May, 1985, the APC released a report responding to the Connors' recommendations. In that report, Margaret Slattery, national secretary, said that the recommendations were a strait-jacket for non-government schools. The report went on, among its many arguments, to point out that the Government should not control non-government school enrolments by limitation of the budget (Australian Parents Council, 1985, p12). Mortensen, (1987) also agreed that the government were going to restrict non-government schools by using the budget. He stated that Senator Grimes (Labor Party) in his response to political debate, indicated that money for 'planned' government schools would have to be found, but budgetary limitations could be used as a factor limiting the funding of registered non-government schools.

Other comments directed at the recommendations included: Senator Harradine, (Democrats) who noted that "all this is directed only at criteria for new non-government schools" (Harradine, 21 March 1985, p548); and, Senator MacGibbon (Liberal Party) who considered that "it is blatantly dishonest for the Minister to come in here and chant the curriculum vitae of the panel. The panel had nothing to do with it...given the terms of reference, they had to make the report the way they did" (MacGibbon, 21 March 1985, p901).

On the basis of the above statements, the opposition and interest groups saw that the guidelines contained in the Connors Report were aimed only at the non-government sector and were intended to use the arguments like negative impact on existing schools, and budgetary constraints to restrict the growth of that sector in order to protect the strength of the public system.

Senator Ryan defended the policy, and the accusations of the opposition by stating that it was "the intention of our Government to ensure that Commonwealth funds were distributed equitably between the government and non-government sectors and that within the non-government sector we would reintroduce a principle of equity in the allocation of funds" (Ryan, 21 March 1985, p891). She also counteracted statements made by the public by pointing out that the panel was made up of predominantly members from the non-government sector (The Sydney Morning Herald, 1985, 19th June). This was true. The panel, under the Senators instructions, had also negotiated with a wide range of school authorities, government and non-government. However, many of the authorities negotiated had established schools and systems already in place and had had their funding arrangements safeguarded with the eight year plan and therefore had little grounds to protest. It was also in their best interests that new schools be 'restricted' so that their enrolments be protected. This idea was supported by statements made by Lyndsay Connors; she stated that there;

was far more support for the new schools policy in the independent school sector than some have acknowledged behind the scenes, particularly in Victoria, there was great concern about competition within the independent school sector undermining the capacity of the existing established schools to be able to maintain their viability (Connors. 1996, pers. comm. 1st Oct).

Another criticism of the recommendations was that the panel had made little effort to take into account the prior right of parents to choose whether their children are educated at a government or non-government school. In two sections only was there mention of 'choice of schooling'. With the exception of one revealing report, The

Choice of Schools Study: Parents Have Their Say, funded by the ACT Schools Authority and the CSC, there was little attempt to include the facts (Mortensen, 1987, p94). The APC highlighted this point, stating in their report on the recommendations that; parental demand and not Ministerial of Government decision, should determine the balance of enrolments; that research throughout Australia should be instituted to determine demand for non-government schooling; and; non-government parents should be involved in the planning (Australian Parents Council, 1985, p12)

While there was considerable opposition to the recommendations of the Connors Report, the Labor Party held the balance of power, and legislation was passed on 21 March 1985 and ordered to be printed on 28 March 1985 (Grimes, 1985, 21 March, p531). The recommendations of the Connors Panel became known as the 'New Schools Policy.' The new arrangements contained in the policy came into effect, and applied to new non-government schools that were to be established, from 1986 (McKinnon, & Walker, July 1995).

The main features of the new arrangements were:

- * modification of the existing criteria for determining initial eligibility for Commonwealth funding;
- * the adoption of a planned approach to the provision of schooling services, with judgements to be made at each state level;
- * priorities for new schools proposals to be based on the principle of "planned educational provision" in particular locations, including the planned development of both government and non-government sectors and the maintenance of standards in existing schools affected by new schools; this more comprehensive approach to planning to replace previous mechanisms for assessing "impact" on a school-by-school basis;
- * general recurrent grants for approved new non-government schools to be based on the general enrolment plan put forward by schools at the time of their approval;
- * priorities for the determination of both general recurrent and capital assistance for new non-government schools to be established against four broad categories of 'priorities';
- * the establishment of State level bodies to advise the Commonwealth on relative priorities;
- * the consideration of annual budget allocations for new non-government schools and their relative priorities; and

* schools generally to be advised of provisional approval for assistance some 12 months before opening. (Schools opening in 1986 to be advised by about September 1985.) (McKinnon & Walker, 1995, July).

Summary

In conclusion then, the above chapter has examined Harman's second stage in the policy process, that of policy formulation and authorisation. In doing so it has covered the crystallisation of Easton's demands into a definite problem, identified and stated by several key members of the Labor Party including Hon. Bill Hayden, Hon. John Dawkins, and the Hon. Susan Ryan. It also identified the pressure Senator Ryan was under from the ERC and the Australian Teachers Federation to initiate policy change in order to reduce the budget and balance funding arrangements between the two sectors. From there it examined the interim instructions released by the Department of Education and Youth Affairs, the instituting and release of the Connors Report; reaction to the recommendations; and; the authorisation of the New Schools Policy which was to take effect in 1986.

In the process of identifying the stage of policy formulation, the chapter cited the main policy actors, the Connors Panel made up of Commonwealth Schools Commissioners, and the Labor Government. Both these parties postulated the philosophy of the maintenance of government schools systems that are of the highest possible standard, and are open, without religious tests, to all children. Both these parties educational beliefs were founded in the Karmel Report of 1973, when the Labor Party first put forward funding policies on the basis of need, and affirmed their pursuit of equality of educational opportunity for all children in Australia. The policy was a response to a perceived threat to their belief in equity, and a threat to the government education system. This threat was a result of; a) an enrolment shift, b) an increase of non-government schools, c) an increasing budget allowance to the private sector, and d) a creaming off process that was drawing middle to upper classes to non-

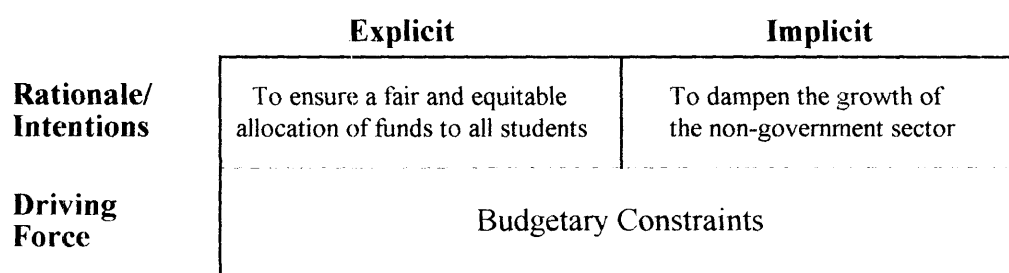
government schools and weakening the public sector. While the Labor party believed in the prior right of parents to choice, many proponents of the party had difficulty with the ethics behind the provision of Commonwealth funds to secure that right.

The explicit aims of the policy actors were to ensure a fair and equitable allocation of funds in order to protect the rights and education of all students, those both of the government and non-government sector. Implicitly, the evidence so far, points to the fact that the policy actors wished to dampen the growth of the non-government sector in order to maintain the strength of the government education system and restore public faith in government schools. In effect they wished to curb the growth by restricting schools that would receive Commonwealth recurrent funding (Preston, 1989, p5). These restrictions were contained in the Connors Report, and passed as legislation as the New Schools Policy. The obvious payoff of stability would be a reduction in the growth of Commonwealth expenditure to non-government schools, or 'savings' to future general recurrent budgets, a facet that Senator Ryan was under pressure from the ERC to find. The rationale for the policy therefore, was grounded in the Labor and Commonwealth Schools Commissions educational ideologies, but was driven by Federal budgetary constraints. This theory is conceptualised in figure 4.1. The model shows that the policy actors had explicit and implicit intentions when formulating the policy, but these intentions, or rationale, were driven by an underlying force, that of the budget. In the words of Louise Watson, "The Commonwealth Government was not concerned with issues such as enrolment balance, it left these to the states, but was primarily concerned with financial expenditure" (Watson, 1997, pers. comm. 2nd May).

The Labor Party, while consulting many groups and authorities, appeared to be single minded in their approach. While the recommendations received opposition from the Liberal Party, the Democrats, and pressure groups like the National Catholic Education Commission, they were not modified in response, but were rather, fully

accepted. Pressure groups being "any group of individuals, or a formal organisation or institution that seeks to communicate demands or requests to public authorities or to influence the content of public policy and how policy is administered" (Harman, 1973). Many non-government groups and authorities actually welcomed the policy as it promised to protect their enrolments by restricting new non-government schools that could poach their clientele.

Figure 4.1
Diagram Showing the Intentions and Driving Force
Behind the New Schools Policy



The following chapter will examine the relative success of the policy, based on its explicit and implicit aims. In doing this it will examine the policies implementation, evaluations, and successive modifications.