

Chapter 5:

Implementation

Non-government schools that were established from January 1986 came under the guidelines of the then recently legislated and implemented New Schools Policy. The relative success and consequences of the policy based on its original intentions came to fruition over the coming years. During the course of its implementation two amendments to the States Grants (Primary and Secondary Education Assistance) Bill were made which had the effect of 'strengthening the Labor Government's New Schools Policy' (Newell, 1993, p2275). These modifications were the result of feedback pertaining to the success of the policies outputs and changing circumstances in the environment which contributed to new demands exerted on the political system.

The following chapter will trace Harman's third stage in the policy process, that of implementation. It will examine: the outcomes of the policy, the trends in schools, enrolments, Commonwealth financial contributions, and the new demands that arose requiring the modification of the policy in 1988 and again in 1991. In doing so it will answer the questions; to what extent were the explicit and implicit intentions of the policy achieved during implementation, and, what factors contributed to the initiation of the policy's two modifications?

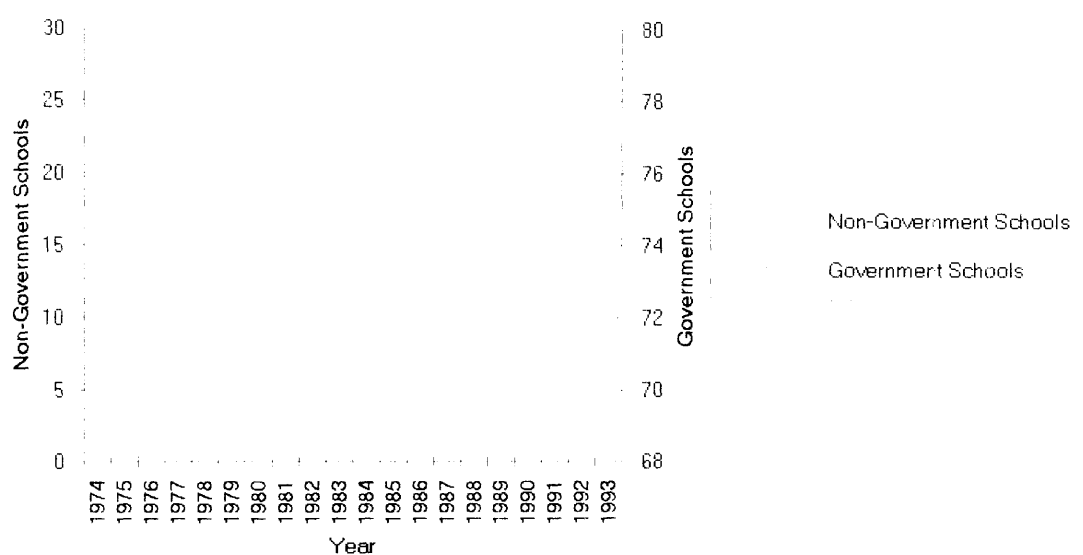
Trends in Enrolments, Schools and Finance 1986-1995

From 1976 to 1982 the non-government sector had been increasing their share of total school enrolments at an ever increasing rate. Expressed as a percentage of total school enrolments, in 1982 the non-government sector held 23.8% of total school students,

while the government sector 76.2%, compared with 21.2% and 78.8% respectively in 1976. 1986, the year the policy was implemented, saw a turning point. The rate of shift in enrolment share markedly slowed. Figure 5.1 illustrates a levelling out of the 'enrolment share curves' from 1986 until 1990/91. During the same period both sectors saw a steady increase in the retention of students to year 12 and therefore would have had little effect upon the figures represented in figure 5.1. (see figures 3.4 & 3.5)

Figure 5.1

Proportion of Total School Enrolment Held by Sector, 1974-1992



Source: Australian Education Council. "Statistical Annex: National Report on Schooling in Australia, various volumes, & ABS

This slowing of enrolment shift to the non-government sector seen in figure 5.1 can be greater highlighted by looking at the annual increase of enrolment share held by the non-government sector. 1982 saw a peak in the annual increase of enrolment share over the previous year at 3.5%. (Calculated by dividing the year's percentage enrolment share by the previous year's percentage enrolment share * 100 - 100.) From 1982 until 1986 the annual growth in the shift stabilised a little at around 2.5 - 3%. From 1986 the annual increase of enrolment shift displayed a marked slowing until

1991 when there was a 0% growth. At this time the non-government sector held 27.9% of total school enrolments, the same percentage as for 1990. This slowing in the annual growth of enrolment shift is illustrated in figure 5.2. (All relevant figures have been included in Appendix H on page 172.)

Figure 5.2
Yearly Growth Enrolment Share Held by the Non-Government Sector,
1975-1995



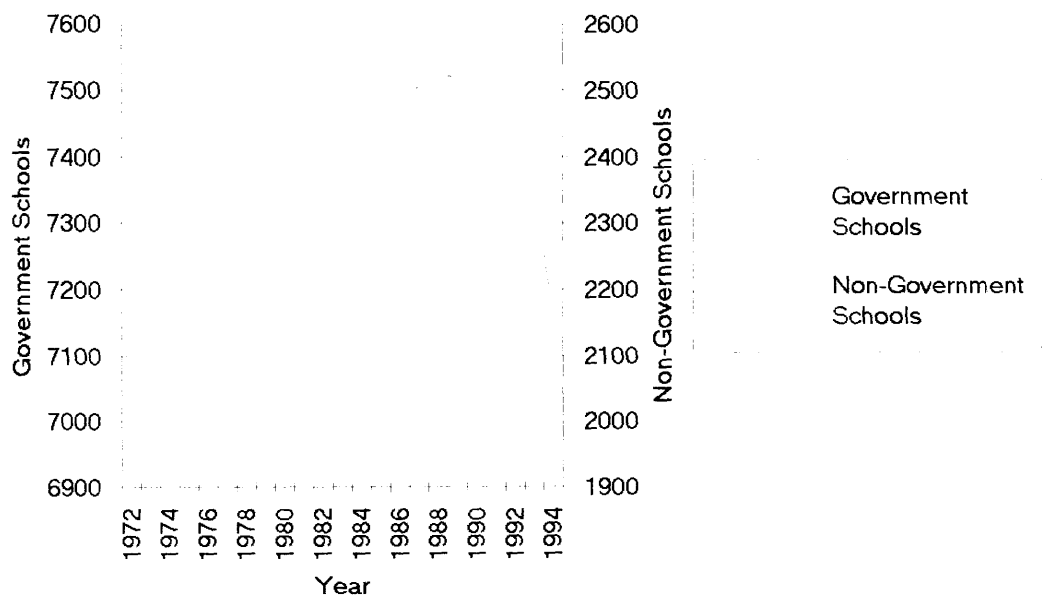
Source: Australian Education Council, "Statistical Annex: National Report on Schooling in Australia, various volumes, & ABS (Figures calculated by dividing the year's percentage enrolment share by the previous year's percentage enrolment share * 100 - 100.)

The same phenomenon was seen with the growth of new non-government schools. Until 1985 both sectors had experienced a dramatic growth in the number of new schools. That year, 1985, saw a peak in the number of non-government schools in Australia, at 2502 schools. (figure 5.3) The figure in 1986 fell by 6 to 2496 schools. It can only be assumed that this small drop was due to closures or amalgamations. 1986

was again however a turning point. From that year and onwards the growth of new non-government schools steadied from a maximum growth of 5.04% per year in 1984 to an average of 0.06% per year for the years 1985-1995. (See Figure 5.4) - Worth noting was the fact that the number of government schools was also falling during the same period, from a peak of 7589 schools in 1986, to 7159 in 1994. Closures due to demographic shifts can only be assumed to be the cause of this occurrence.

Figure 5.3

Number of Government and Non-government Schools in Australia 1972-1994



Source: Australian Education Council, "Statistical Annex: National Report on Schooling in Australia, various volumes, & ABS

NB. Figures for 1992 unavailable and so estimated based on trend.

Figure 5.4

Percentage Growth per Year of Non-government Schools 1975-1995



Source: Australian Education Council, "Statistical Annex: National Report on Schooling in Australia, various volumes, & ABS. Figures calculated by dividing a given year's number of schools by the previous year's number of schools * 100 - 100.

NB Figure for 1992 unavailable and so estimated on trend at 2508 schools.

This did not mean that new non-government schools were not gaining approval and commencing, the contrary, an average of 36 new non-government schools were gaining provisional approval each year from 1986 to 1996. (see table 5.1) According to the McKinnon review (1995) a total of 251 new schools commenced since the institution of the New Schools Policy, of which only 18 have closed. More than ten percent of all non-government schools presently in operation have opened during the period of operation of the policy and ninety percent of those opened during the period continue to operate (McKinnon, 1995, p13). The steadied real growth/loss of the total number of non-government schools was due to closures and amalgamations of existing schools.

Unfortunately statistics are complicated by amalgamations and special schools being taken off the lists because State governments assumed responsibility for them, and so a clear picture of what may have been the scenario if the New Schools Policy had not been implemented is not possible (McKinnon, 1995, p13). It is only possible to make inferences based on the information available.

Table 5.1
Applications and Success Rates for Commencing Non-Government Schools 1986-1996

Year	Notification applications lodged	Withdrawn before assessment	Application considered	Initial success	Additional success on appeal	Total successful applications
1986	75	24	51	34	3	37
1987	52	11	41	32	2	34
1988	62	9	53	33	6	39
1989	132	67	65	35	2	37
1990	107	55	52	34	3	37
1991	82	45	37	26	2	28
1992	75	37	38	25	3	28
1993	80	30	50	39	0	39
1994	72	32	40	31	1	32
1995	114	52	62	38	2	40
1996	139	72	67	43	0	43
TOTAL	990	434	556	370	24	394

Notes: The above figures

- relate to proposals assessed under the NSP -some clients submit multiple proposals;
- relate to provisional approval only and are not indicative of the number of new non-government schools that have commenced and qualified for Commonwealth general recurrent funding since 1986;
- include proposals assessed on more than one occasion; and;
- cover only proposals assessed by New Schools Committees, that is, they exclude proposals not involving a significant change in clientele.

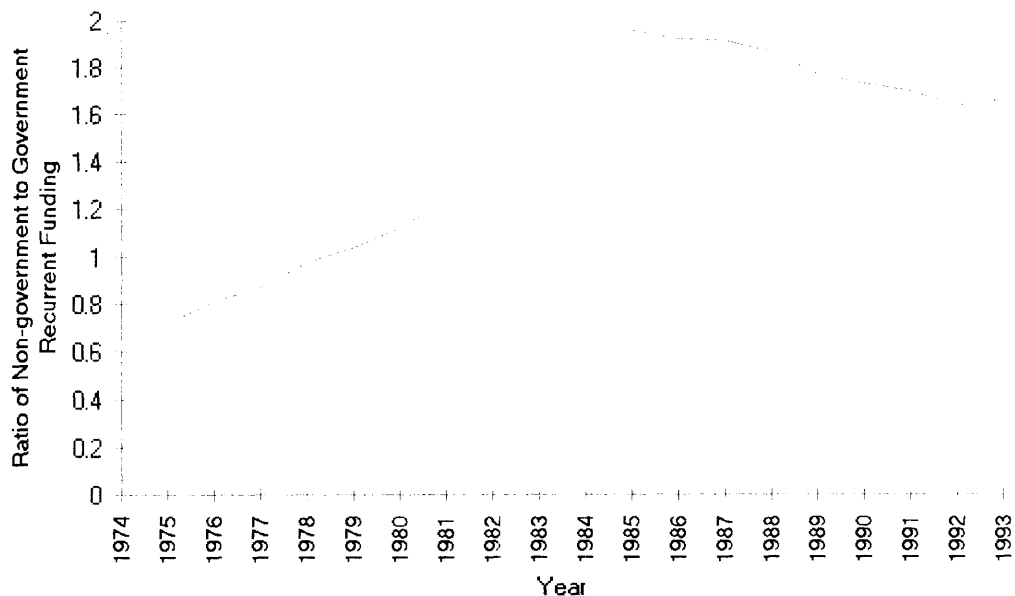
Source: McKinnon & Walker 1995 p17

Data pertaining to Commonwealth financial outlays to non-government schools also painted a similar picture. By again comparing the ratio of government to non-government general recurrent funding per year (Calculated by dividing non-

government recurrent funding by government recurrent funding) it can be shown that the ratio began to fall from 1985/86 at a ratio of 1.97 in 1985 to a ratio of 1.67 in 1993. (see figure 5.5) This meant that in 1985 the Commonwealth was supplying 1.97 times the general recurrent funding of government schools to non-government schools, while in 1993 it fell to 1.67 times the amount.

Figure 5.5

Ratio of Government to Non-Government General Recurrent Funding 1974-1993



Source: ABS Year Book, 1979, 1980, 1981, 1982, 1983, 1984, & McKinnon & Walker 1995

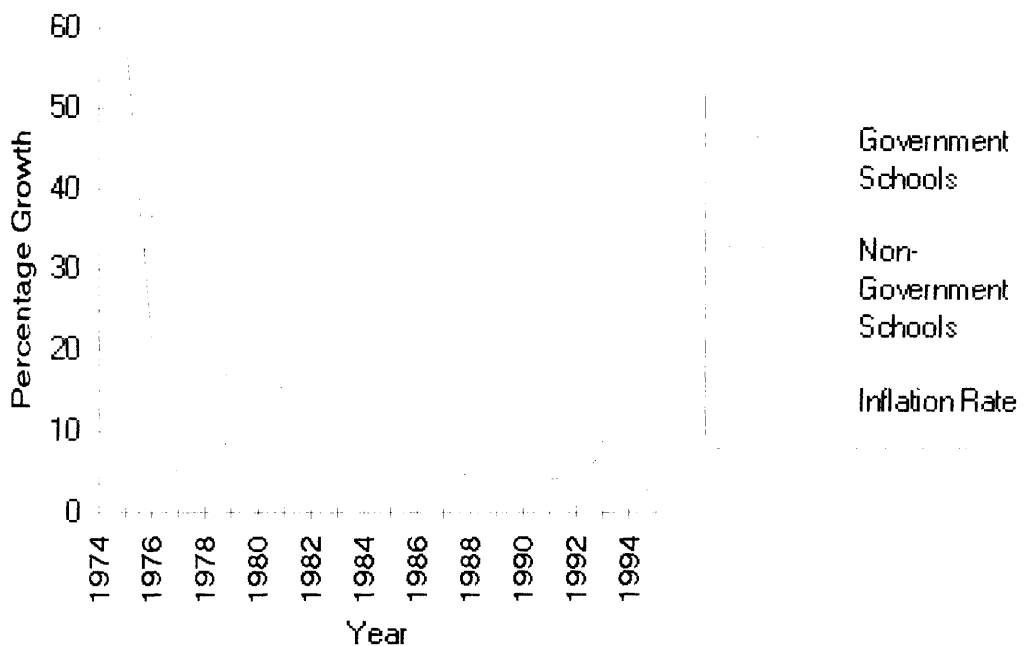
NB. The graph is not continuous as there was a change in data series from 1984. Prior to that date data was obtained from the ABS Year Books. In 1985 the format for presenting that data was changed, and specific information about general recurrent grants to non-government schools was no longer available in the ABS Yearbook. Data from 1985 came from McKinnon and Walker, 1995, whose source was DEET. While the two data series are not mathematically comparable, the basic trends are still clearly illustrated.

A similar picture can be seen by looking at the real increase of funding to each sector. (see figure 5.6, figures calculated using 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 government sectors general recurrent funding for the years 1986-1992 was growing at a greater rate than the non-government sectors. Prior to this it had been the non-government sector that had had the greater rate of growth.

Figure 5.6

Growth in General Recurrent Funding to Education by Sector, 1974-1994



Source: Australian Bureau of Statistics, "Expenditure on Education Australia", 1974-1982 volumes, & McKinnon and Walker, 1995
 N.B. For data gap see figure 5.5.

Figure 5.6 also indicates that from the implementation of New Schools Policy, the Commonwealth government had made considerable financial savings from the general recurrent funding budget to non-government schools compared with the period 1975-81, an area that Senator Ryan had been under pressure from the ERC to find when the Labor Party had to come power in 1983.

Interestingly, both the government and non-government's growth in recurrent funding for the period 1986-92 was below the rate of inflation. This pattern of growth of

expenditure was most likely a reflection of governmental priorities during this period. This same pattern can be seen by examining the percentage of Australia's Gross Domestic Product spent on education. Table 5.2 shows Australia's total expenditure on education as a percentage of GDP. Based on the figures in table 5.2, the mid to late 70's showed a peak in educational priority for Australians, with 5.8% of GDP being allocated to education, but since then it has slipped in importance relative to other public functions, such as health and social welfare expenditures, to 5.1% of GDP in 1986-1990 (Harrold, 1986, p27). This slippage was partially due to the growth and stabilisation of teacher salaries and teacher to pupil ratios. In the 1970s teacher salaries rose at least as fast as GNP per head and teacher to pupil ratios continued to fall. Thus expenditure to the late 1970s tended to rise faster than the national output, and so tended to absorb a greater percentage of GDP. During the 1980s however, the industrial Accord held teacher salaries down and class sizes increased, and hence education absorbed a smaller proportion of GDP (Harrold, 1996, p38).

Table 5.2

Total Expenditure on Education as a Percentage of Gross Domestic Product

Gov. Education Outlays as % GDP	Gov.	Private
1970-71 to 74-75	4.6%	n/a
1975-76 to 79-80	5.8%	n/a
1980-81 to 84-85	5.5%	.32%
1985-86 to 89-90	5.1%	.38%

Source: G.Burke: Resource Allocation within DEET Portfolio (Draft only, 1991)

On the basis of the above figures, 5.1 to 5.6, inferences can be made pertaining to the consequences of the New Schools Policy. From the time of implementation the dramatic shift in enrolments and growth in schools in the non-government sector seen in the period to 1985, slowed. Along with the slowed growth came a stabilisation of Commonwealth general recurrent funds being allocated to the private sector.

While this slowing of growth occurred from 1986 and onwards, when the New Schools Policy was implemented, it cannot necessarily be attributed entirely to the policy. At the same time that the growth in non-government schools slowed the government sector also experienced a loss in schools. This loss of school numbers was probably a result in demographic shift, amalgamations, and a rationalisation and closure of small schools. These factors could have been attributed to the slowing in growth of new schools but unfortunately statistics have been complicated by amalgamations and special schools being taken off the lists and so a clear picture is not available (McKinnon, 1995, p13). An inference can be made by making an assumption based on the numbers of applications for new schools over the period 1986-1996. During that period 990 applications for recurrent funding were received by the new schools committee. Of those 990 applications, 394 were successful, however, not all of those 394 schools would actually commenced. Assuming the new schools legislation not have been in place and a larger proportion of those 990 schools commenced, then the growth in new schools would have continued, along with it, the growth in the Commonwealth non-government schools recurrent budget. However, due to the complication of statistics, this is very loose inference.

While the above figures are not conclusive, the reactions of the Coalition and interest groups adds weight to the theory that it indeed was the New Schools Policy that was responsible for the retarded growth in the non-government sector. On numerous occasions when educational policies were debated in parliament, the opposition raised the view that the intention and direct consequence of the New Schools Policy was the retarded grow of the non-government sector. Dr D. Kemp made comments pointing to this view, including;

... an attempt to control the growth in the Non-Government sector through the New Schools Policy... calls on the Government to adopt a policy which gives much greater weight to the rights of parents in both government and non-government sectors to make informed choices between high quality education offerings (Kemp, 1990, p3946).

.. since 1985, the government has effectively prevented some 30 000 non-government school places coming into existence. It has failed consistently to lower the financial hurdles in the way of parents, particularly low income parents, exercising their right to choose a school which reflects their values (Kemp, 1991, p2804).

Senator Kemps' views were not a voicing of a personal opinion, but the view of the opposition. A similar comment pertaining the intention of the policy was made by Senator Reith; "The government calls it a new schools policy but it places a ceiling, a cap, on the growth of non-government school enrolments" (Reith, 1989, p2293). Senator Teague also saw the New Schools Policy as an unnecessarily restrictive one, which was "an attempt to control the growth of the non-government sector." (Teague, 1990, p5837)

As an indirect consequence, several opposition members and interest groups had the perception that the policy restricted parental choice. When presenting the coalitions policies on education, Senator Teague stated that; "About 27 per cent of Australian school children attend non-government schools by choice. Another 23 per cent at least want to attend non-government schools, and we will make it possible for them" (Teague, 1991, p3256). He indicated with this statement, coupled with remarks about the restrictive nature of the New Schools Policy, that indirectly, the policy had had the effect of inhibiting parental choice. This view was also voiced by interest groups who presented petitions to the House of Representatives, calling for the abolition of the policy. Two separate petitions read;

Your petitioners therefore request the House of Representatives: recognise the right of every child to reasonable level of Commonwealth support for their education; recognise that parents should be provided with real choice in the schooling for their children; call upon the Government to abolish the New Schools Policy (Hawker, 1989, p2313, also, Short, 1989, p5111).

The above comments then, indicated that the coalition and interest groups saw the retarded growth in the non-government sector as a result of New Schools Policy. These comments add enough weight to the figures to conclude that the trends in non-

government enrolments, schools, and recurrent funding from 1986, was a direct consequence of the New Schools Policy. The coalition and interest groups also saw that the indirect consequence of the policy was an inhibiting of parental choice.

To these ends it would appear that the implicit intention of the policy actors to dampen the growth of the non-government sector was achieved with a degree of success. This success was reflected in a stabilisation of the number of new and existing non-government schools and a stabilisation of the Commonwealth general recurrent budget to the non-government sector. (figures 5.4 & 5.6) While these two areas displayed considerable a stabilisation, the dramatic shift in enrolments seen in the late 70's and early 80's was gradually slowed but not reach a point of stabilisation until 1991. (figure 5.2)

The explicit aims of the policy actors 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, were, in the eyes of the Labor Party, achieved. Senator Collins reflected this belief in the following statement to parliament;

The new schools policy is first and foremost a policy to enhance planned educational provision and, as such, enjoys widespread support among non-government schools..... This security and stability in funding is something that both government and non-government schools have come to expect and enjoy under this Federal Government (Collins, 1992, p4086).

Indeed, other members of the Labor Party saw the policy as a positive, rather than restrictive, and was supported by both education sectors as it ensured stability in funding arrangements and a fair and equitable allocation of funds. Senator Dawkins raised this perception when as the Minister for Education he said;

Not only has there been an increase in the amount of money going to non-government schools, but as a result of the new schools policy which came in 1986 we find that 189 new

non-government schools have been established, 118 schools extended and 103 have had relocations approved by the new schools committee (Dawkins, 1989, p3386).

His comments almost suggested that the New Schools Policy encouraged a growth in non-government schools.

In summary, since the implementation of the New Schools Policy in 1986, there was a stabilisation in the growth of new and existing non-government schools and a stabilisation in the growth of the Commonwealth general recurrent budget. With these two facets came a slowing in the growth in enrolment share held by the non-government sector, but not a immediate stabilisation. This would indicate that from the time that the policy was first implemented, the explicit and implicit aims of the policy actors were achieved with a degree of success.

Policy Modifications

During the course of the life of any given policy, information will be returned to the policy makers as to the attainment of the policy's original objectives. This information Easton terms feedback and the channel that it flows through, the feedback loop. (See figure 2.1 and 2.3) In brief, the feedback loop is composed of information and related outputs and their consequences, that enables a system to control and regulate the disturbances as they impress themselves upon a system. Feedback enables policy makers to make necessary modifications to a policy to bring it closer to achieving its intentions. Along with feedback, new demands may arise from the environment that require a modification of a given policy.

The New Schools Policy underwent two modifications during the course of its ten year life, once in 1988, and once in 1991. Both these modifications served, in Labor's eyes, to strengthen the Government's New Schools Policy (Newell, 1993, p2275), while in the opposition's eyes, added further restrictions to the growth of the non-

government sector (Teague, 1991, p3256 & Kemp, 1990, p3932). Both modifications were made in response to feedback and new or recurring demands. These demands and modifications will be explored in turn.

In 1988, when Senator John Dawkins was the Minister for Education, the eight year funding scheme, implemented in 1984, came up for a mid term review. Part of the review included the a review of the New Schools Policy. As a result of the review the New Schools Policy was modified. The modifications increased the minimum enrolments for new schools to 50 for primary, 25 per grade for secondary, and 20 per grade for senior secondary. As well, new non-systemic schools were limited to funding categories 1-6 and establishment grants were abolished (McKinnon, 1995, p11).

Ms Louise Watson, who worked for John Dawkins at the time, indicated that the financial rationale for the 1988 modifications was to restrain the biggest area of expansion in non-government schools, that of small non-systemic schools (Watson, 1997, pers. comm. 22nd April). Focus was made on these schools as in the past they had been coupled with a lack of planning along with a display of instability, relying heavily on Commonwealth funding for their financial viability (Watson, 1997, pers. comm. 2nd April). This same issue had been broached by Senator Ryan and the Connors Panel in 1984-85 (Connors, 1985, p12 & Mortensen, 1985, p34). The figures in table 5.3 (over page) indicate that there was growth in small non-government schools. Between 1985 and 1990 (NB. two years after the modification) in the two enrolment categories 1 - 20 and 21- 35, total non-government schools grew from 134 to 155 (McKinnon, 1995, p23). The increase of 21 schools over a five year period, however, could hardly be classed as a 'big', or the 'biggest' expansion. The largest area of growth over the five year period to 1990 was actually in the categories 301 - 400 and 401 - 600, with an increase of 39 schools (McKinnon, 1995, p23).

Table 5.3

Number of Primary Schools by Size and Student Enrolment in Australia, 1970, 1985,
1990 and 1994

Number of Students	1970		1985		1990		1994	
	Govt.	Non.	Gov.	Non.	Gov.	Non.	Gov.	Non.
1 to 20	1118	23	591	52	456	78	345	43
21 to 35	812	50	533	82	521	77	410	66
36 to 100	1239	329	1082	303	1005	289	950	295
101 to 200	564	343	824	391	926	387	845	408
201 to 300	357	256	818	303	902	302	890	291
301 to 400	347	153	716	171	721	193	762	204
401 to 600	702	121	767	158	737	175	786	189
601 to 800	441	28	228	51	231	44	242	50
801 to 1000	198	5	49	4	49	6	58	5
over 1000	97	1	7	-	5	-	11	-
TOTAL	5875	1309	5615	1515	5553	1551	5299	1551

NB. does not include data for combined primary/secondary schools.

Source: McKinnon and Walker, 1995, p23

Interestingly the rationale for the changes supports the original explicit and implicit intentions of the policy namely to ensure an equitable allocation of financial resources - by dampening the growth of the non-government sector. Again, here in 1988, it would appear that the government implicitly wished to prevent growth in non-government schools by placing further restrictions the sector, while explicitly they wished to ensure that the rights of all students were protected and children's education was not interrupted due the closure of a school. However, evidence for this argument is not great. There is greater evidence as to the driving force behind the policy's modification.

"As a former Minister for Finance and a member of the Cabinet's Expenditure Review Committee (ERC), Dawkins always found substantial savings from his portfolio during the annual round of budget negotiations, school funding was no exception" (Watson, 1997, pers. comm. 2nd May). In 1988 there was need to find further

reductions in the education budget due to "increased pressures for economic restraints", (Commonwealth Schools Commission, 1987, p6) and because of its ideological standing, the Labor government again looked closely at the non-government sector. One way of restraining the growth in schools expenditure was to limit the expansion of new non-government schools and the level of assistance to which they were entitled (Watson, 1997, pers. comm. 2nd May). As Watson stated, the government was primarily concerned with the biggest expansion in the non-government sector, that of small non-systemic schools (Watson, 1997, 2nd April). It made sense in policy terms to encourage the establishment of larger non-government schools and to ensure that new schools were not heavily dependent on large amounts of government funding for their survival (Watson, 1997, pers. comm. 2nd May). Hence the 1988 modifications.

Savings were also obtained from existing non-government schools by the decision not to include a 4% productivity increase in teachers' wages in the Schools Prices Index. Dawkins argued successfully that as the schools and systems should have received productivity gains in return for the teachers' salary increase, adjusting the Commonwealth grants by 4% was not justified (Watson, 1997, pers. comm. 2nd May).

The policy decisions were again, as in 1985, heavily influenced by the relative power of several stakeholders, such as the National Catholic Education Commission, the National Council of Independent Schools' Associations, the Australian Parents' Council and the Australian Council of State Schools' Organisations (Watson, 1997, pers. comm. 2nd May). These groups concerns weighed heaviest upon the government's policy decisions as they were the largest. The decisions in 1988 did not adversely affect the interests of the major stakeholders, most of whom had existing schools and structures in place. Clearly the Catholic sector had not been adversely affected by the policy at all, as can be seen in table 5.4 (page 100). For the period

1986-1996 the Catholic System experienced a success rate for applications for new schools of 95% while all other non-government schools only had a success rate of 63%. Added to the continued application success was the healthy financial situation that enabled the new Catholic Schools to be funded at the system level of 10-12 rather than be bound to the category 6 cap (DEET, 1996, p133 & Lambert, 1995, p6). It would therefore be safe to assume that smaller non-government schools were targeted for savings as they were less able to exert enough political pressure to alter the course of government and governmental decisions.

In 1991 the Honourable John Dawkins announced further changes to the New Schools Policy. These changes, to be implemented from January 1st, 1993, included;

a) the lifting, for most non-government schools, of funding restrictions applied through the operation of the maximum enrolment provisions;

b) a number of changes in operation by existing schools would no longer require assessment by New Schools Committees/ Joint Planning Bodies;

c) commencing schools and some changes in operation still required assessment with a strengthened assessment process, and;

d) schools currently limited to funding categories 1 - 6 will not have that limitation applied where they seek a review of their funding level after being in receipt of general recurrent funding for five years (McKinnon, 1995, p11-12).

Table 5.4
Application and Success Rate for Commencing Non-Government Schools by State,
Australia, 1986-1996

State	Notifications/ Applications Lodged	Applications Considered		Successful Applications			
		Catholic System	All Others	Catholic System	% Success Rate	All Others	% Success Rate
NSW	298	48	144	45	94	90	62
VIC	177	22	64	22	100	27	42
QLD	195	21	82	21	100	62	76
WA	174	38	62	36	95	50	81
SA	89	9	31	7	78	17	55
TAS	24	2	12	1	50	7	58
NT	24	3	14	3	100	9	64
ACT	13	4	6	4	100	1	17
Sub- Total		147	415	139	95	263	63
Total	994	562		402			

Source: McKimmon, 1996.

The changes were seen as a relaxation of restrictions. Explicitly they were intended to provide greater flexibility and reduce Commonwealth regulation (McKinnon, 1995, p11). However, while appearing to relax the 'restrictions', they merely served to streamline the administrative procedures. Representations from major stakeholders had voiced their concerns about aspects of the guidelines in the policy that were administratively cumbersome or that placed undue restriction on the operations of existing non-government schools. (Watson, 1997, pers. comm. 2nd May) The lifting of 'restrictions' however, did not adversely threaten to increase the level of funding to the non-government sector. For example, the enrolment maxima were lifted because

it was felt that there were physical limits (eg. the size of property) to the extent that schools could increase their enrolments, and schools seeking to establish new campuses were still required to go through the New Schools Committee approval process (Watson, 1997, pers. comm. 2nd May). As well as this, new schools restricted to funding categories 1 - 6 from 1989 would have to had show very strong evidence in their application for a more favourable funding category if they had financially sustained a school for five years. Mr Lawrence Woolf, President Of the Association of Parents and Friends of Act Schools Inc., agrees with this point. In his submission to the Report of the Inquiry into Accountability in Commonwealth-State Funding Arrangements in Education, 1995, he stated:

Covenant College, a new non-systemic school in the ACT, has an ERI index number that places it in Category 9, but because it is a new school it will receive funding equivalent to category 6 only. Under the Non-Government Schools Funding Review committee guidelines such schools cannot seek a more favourable categorisation until they have been in existence for five years. This provision has the effect of giving the school the option of providing a sub-standard education to its students for 5 years or increasing its fees in a manner that will put it category 6 at the end of 5 years. This is a no win situation (Tierney, 1995, p79).

The success rate of schools applying for a review of funding category in the past (table 5.5, next page) could be used as an indication of the chance of success for those schools having to adhere to the 1991 modifications. The government therefore would have been fairly well assured that with the 'relaxing' of restrictions in 1991, the general recurrent budget for non-government schools would not be adversely affected.

Table 5.5
 Success Rate of Non-Government Schools Making Applications for a Funding
 Category Review, 1985 -1994

Year	Applications Received	Successful Applications	Number of Categories Moved					
			1	2	3	4	5	6
1985	157	73	33	20	11	5	2	2
1986	32	12	8	2	2	0	0	0
1987	14	5	4	0	0	1	0	0
1988	13	1	1	0	0	0	0	0
1989	15	3	0	2	1	0	0	0
1990	11	1	0	0	0	1	0	0
1991	12	3	1	1	1	0	0	0
1992	6	3	0	0	3	0	0	0
1993	3	1	0	1	0	0	0	0
1994	9	1	0	0	1	0	0	0

NB. Five of the nine applications for the 1994 reviews were not finalised at the time that this table was published.

Source: McKinnon, 1995, p20

In summary, it would appear that neither modification to the policy, in 1988 and 1991, was made solely because of new demands arising from changed circumstances, but rather in response to feedback pertaining to the original demands that led to the initial implementation of the policy in 1986. The key statement pertaining to both modifications was made by Senator Newell when he stated that the modifications served to "strengthen the Government's New Schools Policy" (Newell, 1993, p2275). The original aim of the policy makers, that to take authoritative action on the demands that had arisen since the Karmel Report were, in these two instances, adhered to and strengthened. Those demands had included a 'proliferation' of new non-government schools that, along with a host of associated demands, was taking an increasingly greater share of the Commonwealth general recurrent budget. As a result of the government's authoritative allocation, the Labor Party had been able to reduce, or find savings, in the non-government recurrent budget. The savings were made from the non-government sector because of the Labor Government's ideological standing

on the issue of choice, its funding, and the perceived effect that non-government schools were having on the government sector. In 1988, Dawkins again focused on those demands to respond to demands for economic restraints, (Commonwealth Schools Commission, 1987, p6) and placed further restrictions on the non-government sector, impeding its growth and enabling him to find further savings in the general recurrent budget. In 1991 the modifications, while seen as a relaxing of the restrictions, did not threaten to adversely affect the policy's original intentions. They had been made in response to demands placed on authorities to streamline parts of the policy that were seen as administratively cumbersome (Watson, 1997, pers. comm. 2nd May). Interesting on both occasions the government was careful not to affect the position of the major stakeholders, particularly the Catholic Education Commission. The party obviously did not wish to damage the balance of power they held with the possible repeat of the 1983 political unrest when Senator Ryan had thrown all educational funding policies open to review (Department of Education and Youth Affairs, 1983, p6).

Summary

The above chapter has examined Harman's third stage of the policy process, implementation, along with looking at the feedback that occurred during implementation pertaining to the achievement of the policy makers original intentions that lead to the policy's two modifications.

In doing so the chapter has examined the trends in non-government schools, enrolments, and Commonwealth financing since the implementation of the policy in 1986. It has revealed that since its implementation, the growth in the non-government sector slowed markedly. This apparent slowed growth was reflected in the stabilisation of growth in the number of non-government schools and the stabilisation of the Commonwealth non-government general recurrent budget. These two areas

displayed an almost immediate retardation, however, the shift in enrolment share seen up to 1986, had only displayed a gradual slowing. While the statistics did not provide conclusive evidence as to the cause of the impeded growth, the reactions of the Coalition, and indeed the government at the time, indicated that it was attributable to the New Schools Policy.

From the figures examined then, it can be concluded that the explicit intention of the policy makers, to ensure a fair and equitable allocation of funds to all students, was achieved with a degree of success. It was certainly the opinion of Senator Collins that the explicit aim had been achieved when he stated:

The new schools policy is first and foremost a policy to enhance planned educational provision and, as such, enjoys widespread support among non-government schools..... This security and stability in funding is something that both government and non-government schools have come to expect and enjoy under this Federal Government (Collins, 1992, p4086).

Collins' statement reflected the Labor government's belief that the wasteful duplication of educational resources that had previously had the effect of reducing programs or resources for students in existing schools, had been stopped. (See Planned Educational Provision - Connors, 1995, pp20-21) In Labor's eyes a stability in funding which ensured the equitable rights of all students had in their eyes been satisfactorily achieved.

While it was the opinion of the Labor Party that the explicit aim had been achieved, the implicit intention, that to dampen the growth of the non-government sector, had been met with a degree of success. The growth in the number of non-government schools along with the recurrent budget had been retarded, but the shift in enrolment share had only been marginally addressed. This issue of enrolment shift was recognised by the Commonwealth Schools Commission in their Commonwealth Programs and Policy Development for Schools: 1988. The report stated:

There is a need for further development of the (New Schools) policy particularly in response to increased pressures for economic restraints and the need to look carefully at recent enrolment trends and develop further the criteria for Commonwealth assistance for new places (Commonwealth Schools Commission, 1987, p6).

Whether the Commission intended to further restrain the shift or to provide additional funding for new places can only be surmised, the point is however, that they recognised the continued trends in enrolment share and the need to address the issue. Perhaps it was their intention to further retard the shift when later in the report they recommended that the "enrolment plan on which approval for each proposal is based be included in the public announcement of approval for funding" (Commonwealth Schools Commission, 1987, p13). This however, is only a summation.

In 1988 and 1991 the policy saw two modifications, both of which strengthened the existing legislation (Newell, 1993, p2275). Both those modifications were made in response to the original demands that saw the formulation of the policy in 1985, along with pressures exerted by the ERC and the major stakeholders involved. Both modifications did not threaten to damage the original implicit intention of the policy, rather to apply further restrictions and to streamline the policies administration. It indeed was the view of the Coalition that:

There has been a marked increased Commonwealth regulation in schools. With respect to the non-government schools sector, this regulation is not intended to achieve quality and excellence but, rather, to restrain its growth and secure compliance with government social policy (Kemp, 1990, p3932).

Also both modifications did not threaten the position of the stakeholders, or threaten to cause a similar scenario seen in 1983 when Senator Ryan cut funding to the top non-government schools and opened all funds policies to review.

Chapter 6:

Evaluation and Termination

During the course of any given policy decision Easton states that 'feedback' will be returned to the authorities via the 'feedback loop'. The feedback of information promotes authorities to respond and to take any necessary adjusting actions (Easton, 1965, p367). Feedback enables the members of a system to learn to know themselves and the situation in which they find themselves (Easton, 1965, p370). Feedback in this case study prompted authorities, the Labor Government, to evaluate the New Schools Policy. Evaluation of a policy, according to Harman, leads to two possibilities, redirection or termination.

On March 1 1995, the Hon. Ross Free, Minister for Schools, Vocational Education and Training, released a statement to the press announcing the review of policy for new non-government schools. In that press release Mr Free stated that since the introduction of the New Schools Policy in 1986 the environment in which schools operate had changed dramatically and that after a decade, it would be wise to review the policy to see whether it can be improved for the benefit of the community (Free, 1995, p1). The government appointed Professor Ken McKinnon - recently retired Vice-Chancellor of the University of Wollongong and Foundation Chair of the Commonwealth Schools Commission - to undertake the review of the policy (Free, 1995, p2).

In April 1996 the Final Report; Review of the New Schools Policy was published, however, before the recommendations contained in the report were debated, there was a federal election and the Coalition took office. The coalition announced in their first

budget release in August of that year that the New Schools Policy was to be terminated as of January 1997.

This chapter will explore the feedback that led to the Labor Party's commissioning of the McKinnon review, the procedure of the review and a selection of the demands and pressures the committee was under from the various stakeholders in the education scene. It will then go on to examine the demands and factors that instigated the termination of the policy in 1997. In doing so the chapter will answer the research questions; which new demands and factors contributed to the evaluation of the New Schools Policy; and; what environmental factors contributed to the abolition of the New Schools Policy? Finally the chapter will comment on the reaction to the coalitions decision to abolish the policy and the issues that arose from the decision. By briefly taking a look at the reaction and arising issues and making a comparison with the issues that had led to the implementation and modifications of the New Schools Policy, a few inferences can be made about the possible future direction of non-government educational funding policies.

Review Instigated

After Dawkins announced the 1989 changes to the New Schools Policy, two stakeholders, the Christian Community Schools and the Parent Controlled Christian Schools, began lobbying to have the policy altered or abolished. To apply greater pressure to the government they joined forces and formed the Australian Association of Christian Schools (AACS). The AACS was set up specifically to work with the government, one of its main tasks was to get rid of the New Schools Policy (Crimmins, 1997, pers. comm. July 11). In mid 1989 Mr Peter Crimmins was employed by the AACS. His job was to put together a comprehensive campaign against the New Schools Policy (White, 1997, per. comm. July 3, & Skuthorpe, 1997, pers. comm. July 3).

Mr Bob Frisken, head of the Christian Community Schools, and Mr Jack Mechielsen, head of the Parent Controlled Christian Schools, went once a month to Canberra under the guise of the AACCS, to speak with the Minister of Education. They raised the concerns their organisations had with the category 6 funding cap and the enrolment maxima, both of which had been implemented with the 1989 modifications (Skuthorpe, 1997, pers. comm. July 3).

The Seventh Day Adventist Schools and sections of the Anglican Church were very supportive of the actions of the AACCS as the issues of the category 6 cap and enrolment maxima also affected their organisations and the formulation of possible new schools (Skuthorpe, 1997, pers. comm. July 3, & Crimmins, 1997, pers. comm. July 11). The Anglican church in NSW were particularly supportive as the abolition of such restrictions would fulfil their objectives. The church had been actively seeking ways of establishing new low fee schools that would secure the highest level of Commonwealth government assistance possible; category 10 was the desired level. The only way they could achieve such a goal under the then present policy was to form a system of schools. In NSW however, there were not enough low fee schools to establish such a system. Discussions with Mr Free led to the suggestion that Anglican schools in NSW could form an interstate system but legislative change would be necessary to allow such a move (Lambert, 1995, p2). In October 1995 the church expressed its disappointment that the decision to approve such a system was delayed until at least the next federal election and possibly 1997. The Archbishop of Sydney, Most Rev Harry Goodhew, accused the Federal government of "discriminating against the Church for effectively delaying the approval of its proposed system for two years" (Fray, 1995, p7). The church stated that many parents would choose an Anglican school if one were available (Fray, 1995, p7).

There was considerable covert and overt pressure against the views of the AACS. Several parties were keen to see the policy remain unchanged. The Uniting Church, parts of the Anglican Church and the Lutheran Schools were keen for the policy to remain. In their view a relaxing of the restrictions would have a negative affect on established schools by drawing clientele away with the prospect of lower fee non-government schools. The Lutheran Schools were unsupportive of the argued changes as they already had a system of schools in place and the 1989 restrictions therefore did not affect them. Interestingly this support of the New Schools Policy from the non-government sector was a reflection of the support recognised by Ms Connors when the policy was first formulated. As previously sited, Connors 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).

According to Mr Crimmins, the AACS received favourable hearings from the Hon. Kim Beazley (Minister for Employment, Education, and Training December 91 - December 1993) and the Hon. Ross Free (Minister for Schools, Vocational Education and Training March 1993 - March 1996) (Crimmins, 1997, pers. comm. July 11). Mr Crimmins stated that Free was sympathetic of the AACS's views and claimed that as a direct result Free instigated the review of the New Schools Policy (Crimmins, 1997, pers. comm. July 11, & Skuthorpe, 1997, pers. comm. July 3). Free, the then Minister for Schools, did not however, admit this claim. Free stated that the initiation for a review of the New Schools Policy had come from the Department of Employment, Education and Training, specifically from the schools division (Free, 1997, pers. comm. April 29). The review was prompted by the fact that the policy had, at the time, been in place for around a decade, and it was usual for a policy of that age to be reviewed (Free, 1997, pers. comm. April 29 & July 21). While the AACS may have received favourable hearings, it should be noted that their political weight was

weight was minimal with the total student population of the AACS in 1993 being a mere 1.5 per cent (AACS, 1995, p5).

While explicitly stating to the government and the public that the review was an initiation of the Commonwealth government and DEET (Free, 1995, p1 & Free, 1997, pers. comm. April 29) and was a 'routine' evaluation of a decade old policy, it is interesting that amongst the issues that the review should explore were the very same issues that AACS had raised with the minister. The press release, dated March 1, 1995, stated;

The New Schools Policy has enabled new non-government schools to open and serve the community in new areas, ... I consider it wise, however, that after a decade we review the policy to see whether it can be improved for the benefit of the community.

Mr Free said the review had been asked to comment specifically on:

.....

* the appropriateness and effectiveness of measures to encourage educational and financial responsibility on the part of new schools, including the restriction of new, non-systemic schools to categories 1 to 6, minimum enrolment requirements and the requirements for forming a schools system.

*.....

The review will involve seeking written submissions and conducting Australia wide discussions and consultations with State and Territory governments, non-government education authorities and the education community. A discussion paper will be produced to further the consultation process in mid 1995 (Free, 1995, p1).

Perhaps the Minister had heard the concerns and issues of the AACS and incorporated them as issues to be explored in the review. Whether the instigation of the review was a direct result of the pressure exerted upon the government remains to be seen, however, what is important is that the pressure to have views heard was, to a degree, successful. A review of the policy was to take place and the AACS were provided with a forum within which they could bring their concerns to the review committee.

The McKinnon Review

The review was undertaken by a prominent educator who had a knowledge of the Australian schooling system and a background in Commonwealth funding arrangements for non-government schools - Professor Ken McKinnon, recently retired Vice-Chancellor of the University of Wollongong and Foundation Chair of the Commonwealth Schools Commission (Free, 1995, p2, & McKinnon, Oct. 1995, p 28). The focus and therefore limits to the scope of the review were governed by the Terms of Reference (see Appendix E on page 170) notably in four ways:

- * ..the Government's commitment to the dual system of education...
- * ..the Government supports parental choice of school...
- * ..the orderly development of schools for both educational and financial reasons...
- * ..its responsibility to be prudent with public funds...

(McKinnon, 1995, p1)

The directive from the Minister was to ensure Australia wide discussions and consultation with all stakeholders, a facet which had been neglected, and subsequently criticised, in the 1989 and 1991 modifications. Submissions to the review were called for by press advertisement in March 1995 (McKinnon, Oct. 1995, p28). The review was to firstly consult all possible stakeholders, canvas the issues, and release a discussion paper. The discussion paper was then open for comment and further consultation and an interim report was released. The final report, released in April 1996, was the culmination of yet another round of submissions made on the interim report. By using such a comprehensive methodology it was hoped, and intended, that all stakeholders would be able to voice their concerns, and an equitable conclusion be reached. The intention of the review being to give all stakeholders the

opportunity to express views about ways in which the process to consider applications could be improved (Free, 1997, pers. comm. 29 April).

The discussion paper released in July 1995 raised and outlined a broad number of issues which had relevance to the policy and its implementation. These issues, including; balance, choice, minima and maxima enrolments and systems, (of which had been raised by pressure and interest groups prior to the instigation of the review) were all fairly heard and presented by the review committee. The committee found that the six most commonly mentioned points raised during the first consultation process were:

Open Processes:	applicants, committee members and objectors all want transparent processes;
Simplicity:	the present rules are said to be too complicated;
Orderliness:	there is support for planned educational provision and for forward planning which allows for adequate time to consider applications and to plan new schools;
Equity:	the same rules with the same effect for all schools within systems or not;
Flexibility:	applicants should not be ruled out on technicalities;
Predicability:	applicants conforming to the rules should be able to assess their chances of success; the rules should be precise enough for them to know whether they conform. (McKinnon, 1995, p73)

After a second round of consultations and submissions, including workshops involving representatives of several different groups, the interim report was released. That report made some specific proposals for policy changes, as well as presenting further discussion on complex issues and the ramifications of potential changes. Interestingly, to the benefit of the AACCS and the Anglican Church, the interim report proposed the abolition of the category 6 cap and a change to the enrolment minima (McKinnon, Oct. 1995, ppv-vi & p1).

The final report of the review committee was released in April 1996. It sought to outline all the issues canvassed as well as arguing the reasoning behind the 44 recommendations it made for a revised New Schools Policy. Amongst those recommendations, including the abolition of the category 6 cap, was the provision to do away with the enrolment maxima, the other restriction that the AACS was opposed to. The final report was intended to be presented to the former Department of Employment, Education and Training, each of its 44 recommendations to be debated, and policy changed to be adopted and implemented. It explicitly stated that the views it expressed were not necessarily those of the Minister for Employment, Education, Training and Youth Affairs, nor of the Department of Employment, Education, Training and Youth Affairs (McKinnon, 1996, pii).

Submissions to the review were made by not less than 44 organisations, bodies, schools and individuals. The committee were faced with a barrage of opposing views and pressure, each of which had to appropriately answered on the basis of the terms of reference.

On the one hand McKinnon was faced with organisations such as the Association of Independent Schools of Victoria, (AISV) the South Australian Commission for Catholic Schools (SACCS) and the Australian Association of Christian Schools (AACS). Each of these stakeholders, and a host of others, welcomed the review of the policy and their opportunity to play a valuable part in the consultation process. These three particular groups were pushing for a revised policy that had a greater incorporation of the value of choice. To this end, amongst an array of thoughts, the groups recommended to the committee that the category 6 cap be abolished (SACCS, 1995, p4&5, AACS, 1995, p2, & AISV, 1995, p3) enrolment minima and maxima be reviewed (AISV, 1995, p3-5, & AACS, 1995, p3) and the procedures and administration for the funding of new schools be simplified. (SACCS, 1995, p6) These 'rules' were recognised to be the main restrictions inhibiting the growth of

the non-government sector. The AISV looked further than the issue of the New Schools Policy and recommended that review of the policy not be looked at in isolation but rather in the broader funding policy context within which the New Schools Policy is located.

On the other hand there were groups like the Australian Education Union (AEU), the Federation of Parents' and Citizens Associations of New South Wales (P&CA/NSW) and the New South Wales Teachers Federation (NSWTF). Each of these groups openly opposed the funding of non-government schools, holding the view that the government should be in the business of financially supporting only the public sector of education (AEU, 1995, p1, P&CA/NSW, 1995, p3, & NSWTF, 1995, p1). In the words of the NSW Teachers Federation, "Any proposals which deliver more money to private schools, and which make it easier to open new schools, are opposed by the Federation. This includes the abolition of the category 1 to 6 restrictions (NSWTF, 1995, p1). The AEU actually believed that there was a need for greater control in the opening of new non-government schools (AEU, 1995, p11).

The final report of the McKinnon review recognised the competing plural values - efficiency, choice, excellence and competition, as well as equality, equity, access and exclusiveness that modern Australia had embraced. With these in mind the report sought to draw the opposing ends of the values scale closer together, provide workable rules and achieve a sense of fairness among all parties (McKinnon, 1996, p1). The recommendations included; the removal of the category 6 cap, stating that funding should be on the basis of need; (McKinnon, 1996, p24) and; an adjustment of minimum enrolments (McKinnon, 1996, p27-28). These recommendations would have certainly been met with approval by the supporters of non-government schooling, primarily the AACS. The committee also recognised that a strong, universally accessible government school system should remain the cornerstone of future policy and for this reason recommended that Planned Educational Provision

continue to be the primary basis for consideration of applications for eligibility for funding (McKinnon, 1996, p335-37). To these ends the review seemed to be a fair representation and compromise for both parties concerned, public and private.

It is not known whether or not the recommendations made by the McKinnon review would have been accepted in their entirety and what format the revised New Schools Policy would have taken under the guidance of the Australian Labor Party had they remained in power. The Hon Ross Free did indicate that he was not interested in proposals to do away with enrolment minima, but the reforms suggesting a look at streamlining committees and which broadened catchment areas in particular cases, together with those that looked at the different circumstances of urban and rural Australia were worth processing. Mr Free stated that the revised policy would again be based on 'planned provision', that is, the impact of any new school on existing ones (Free, 1997, pers. comm. 29 April).

Abolition of the New Schools Policy

In March 1996 the people of Australia went to the polls in a Federal election: the coalition won by a landslide majority and a new era of political action began under the leadership of Mr John Howard.

The Liberal party had always voiced their opposition against the 'notorious and infamous' new schools policy (Kemp, 1992, p3077) and had argued that it should be completely abandoned on the grounds that parents should have the right to choose the school to which they send their child (Kemp, 1992, p3077). In fact the Coalition in opposition had always been opposed to the policy ever since its legislation in 1985. (Chapter 4) They perceived that the message that the Labor party were sending to the people as a result of the policy was "that unless people are well off, they will not have any educational choice or, at least, their choice will be severely limited. They will be

compelled to take what they can get at the local state school" (Andrews, 1993, p2270). Indeed it had been an election promise that the policy would be abolished if the Liberal party were voted back into power. This election promise was stated in a speech made by Senator Teague to the Senate;

However, the main components of the new schools policy of the Labor government remain - and they remain as barriers to the aspirations of Australian families and Australian children. The government's ideological hostility to private provision in education remains. even though this is a choice which a significant number of parents increasingly wish to exercise. ... The barriers that have been placed in the way over these last 10 years are of the Labor governments making. The Liberal and National parties will completely remove those barriers (Teague, 1992, p4015).

Mr Andrews of the Menzies electorate again affirmed that promise in October 1993 by stating that "has consistently been our policy that we would repeal and abolish the new schools policy" (Andrews, 1993, p2285).

The coalition remained true to that promise and in their first budget released in August 1996 announced the intention to abolish the New Schools Policy (Sydney Morning Herald, August 21 1996, p2). The abolition of the policy was to take effect from January 1997. The first reading of the States Grants (Primary and Secondary Education Assistance) Bill September 19, 1996, read "The Bill abolishes the previous government's New Schools Policy from the beginning of 1997. This means that, from that time, those wishing to establish new schools will only have to satisfy minimum State/Territory registration requirements (McIntosh, 1996, p3). The second reading of the Bill stated that the reason for the abolition was to emphasis the theme of choice and was intended to replace the previous government's attempt to impose a "bureaucratic, unfair and inequitable burden on non-government schools seeking Commonwealth funding" (States Grants Bill - Second reading, 1996). The Bill passed legislation on the 29th of November, 1996 by one vote. The deciding votes were cast by two independents, Senators Colston and Harradine (Educare News, February 1997, p1). Senator Harradine stated that the reason he voted for the new Bill was on the

basis that the government should not use their position to disadvantage others. He saw the issue of equity as being between students and taxpayers paying for education, not state aid, but a equality of entitlement. He stated that the principle of a competition policy was being recognised (Harradine, 1997, pers. comm. June 6). Interestingly Labor later confessed that their attitudes to education should change. "In a concession to Coalition rhetoric, Mr Peter Baldwin, Shadow Minister for Schools, said Labor's attitudes to education policy needed to undergo a 'virtual inversion' and foster the concept of choice, instead of being 'ambivalent or hostile' to it" (Brough, 1997, p9).

Underlying the Coalitions decision to abolish the New Schools Policy was the prospect of considerable projected savings to the total education budget, which would ultimately assist in the reduction of the National debt. The new Federal Minister for Schools Dr David Kemp acknowledged that it was more than a matter of parental choice, and that government policies shape the enrolment balance, where he says that the states have "cost-shifted" students from government to private schooling. Yet he avoided the possible effect of Commonwealth policies on the enrolment benchmark, and whether he was deliberately increasing the community's use of private schooling (Marginson, 1997, p7). However, the government envisaged private school enrolments increasing by 94 000 by the year 2000, while state school enrolments are expected to drop by 23 000 (Brough, 1996). The government argued that more private schools will reduce the cost of education to taxpayers. Some estimates stated that \$305 million would be removed from State school budgets at a rate of \$1 700 for each new private school student, (Brough, 1996, Maley, 1997, p17, Garcia, 1996, p2, & Watson, 1996, p4) while other estimates stated that State governments would save \$3 245 per student. This figure is calculated on the basis that States spend an average of \$4 349 to educate a child in a government school but only \$924 in a private school (Raethel, 1996). Obviously the possibility of cuts to educational budgets was extremely appealing to a government that inherited a considerable National debt and as an election promise was determined to reduce.

The evidence is conclusive as to the contributing factors to the abolition of the policy. As a direct consequence of a change in government the New Schools Policy was abolished. Explicitly the policy was abolished to emphasis the theme of choice and was intended to replace the previous governments attempt to impose a "bureaucratic, unfair and inequitable burden on non-government schools seeking Commonwealth funding" (States Grants Bill - Second reading, 1996). The abolition of the policy had been constantly voiced by the Coalition, particularly from the time that Dawkins announced the second set of modifications in 1991. The Liberal party had a greater emphasis on the value of choice and competition than the value of equity. Like the Labor party, they believed that parents have the right to a choice of educational institution, but unlike the Labor party, took a more active step to emphasis that theme of choice by making it easier for parents to set up schools that they think reflect their values and will do the best for their children (Kemp, Sydney Morning Herald, 1996, May 21, p10). Underlying the decision was the possibility of the provision for considerable savings to the Commonwealth education budget by encouraging the growth of the non-government sector. To this end it would appear that the Liberal government are using the value of individual freedom as a tool for applying competitive pressure to invoke efficiency. By influencing the enrolment balance through policy decisions Dr David Kemp acknowledges that the states have 'cost-shifted' students from government to private schooling (Marginson, 1997, p7).

Future Directions

Reaction to the decision to abolish the New Schools Policy by the various interest groups and stakeholders was mixed, as one could expect. The National Council of Independent Schools Association, the National Catholic Education Commission, the Christian Community Schools, the NSW Independent Education Union, the Association of Independent Schools NSW and the National Anglican Schools

Committee were amongst the groups that welcomed the changes that the August budget brought, particularly the abolition of the New Schools Policy and the removing of the Category 6 cap, while opposition to the decision included organisations such as the NSW Government, the Australian Education Union and the Federation of Parents and Citizens Associations of NSW (Educare News, 1996, p5 & Federation of Parents and Citizens Associations of NSW, 1995).

The organisations supporting Howard's decision welcomed the changes with enthusiasm, recognising the opportunities that the deregulation brought for the establishment of new non-government schools, particularly low fee private schools. The Anglican church in particular was quick off the mark and commenced the first of a series of low fee Anglican schools in Sydney's West at Oakhurst in 1997. Comment from Mr Guy Yeoman of the Sydney Anglican Schools Corporation stated that with the new legislation private entities were now able to offer big subsidies to parents which had been previously restricted to Catholic diocesan owned schools (Williams, 1997, p18).

Opponents of the decision saw the abolition of the New Schools Policy as a serious undermining of public education and a reopening of the divisive state-aid debate. Critics forecast dramatic increases in the percentage of children attending non-government schools, with a consequential decline in the quality of education provided by government schools (Lambert, 1997, p26). The concern of a creaming off of middle class students cited by Harman (1984) and Davidson (1984) was again raised. Marginson (1997) stated that the deregulation would encourage the non-government system, further exacerbating the residualisation of all but the selective government school - which will prosper only at the expense of other government schools (Marginson, 1997, p8). Concern of the impact of the increased drift in students that the abolition is claimed will produce focuses on the increasing affect on the government schools ability to provide music, a range of languages and the fuller

science and mathematics courses (Marginson, 1997, p8). Mr Jim Harkin, president of the NSW Secondary Principal's Council said the move will result to residualisation in Australian schools, marking; "the end of government schooling, if you regard government schooling as schooling for all people of all classes" (Educare News, 1997. p1-2).

The issue of small schools again arose, as in 1984 during Senator Ryan's term in office. The quality and economic viability of small schools was raised in the Sydney Morning Herald on February 4 1997:

There is no guarantee that every new non-government school will provide a good education. The legislation, in fact, may encourage schools that are not viable because of their size. The new funding guidelines, for instance, allow for a non-government school of only nine children... A parental choice should never mean the right to insist on support for an inadequate non-government school (Lambert, 1997, p23).

Opponents of the decision also argued that the savings to the Commonwealth government would not be as substantial as the government first claimed. Ms Louise Watson, Public Policy Analyst, stated that the savings would only be modest, and not as substantial as claimed (Watson, 1996, p17). Other proponents went so far as to publicly state that the immediate savings the government said they would recoup was false. Mr Jock Cheetham stated in the September 1996 Educare News that;

The Commonwealth's claim that the States will save money through the change is a fraud. They falsely argue that States make an immediate saving when enrolments shift from government to non-government schools. This is false because it assumes that States would immediately lay off teachers or close schools that were losing a proportion of their enrolments. If a few students move from one school to another, the school does not immediately lose a teacher, nor will it close. The school must still serve the needs of other students (Cheetham, 1996, p6 also Raethel, 1996).

Cheetham went on to to express the concern that the increase in funding to the non-government sector was being funded by cuts to the government sector of education and the negative effect it would have on the quality of education and the value of equity. Their concern is that there is the possibility of another dramatic funding swing

toward the private sector as seen prior to the formulation of the New Schools Policy in 1984-85.

Extreme reaction raised the fear of a privatisation of the Australian education system. Roy Martin, researcher for the Australian Education Union (AEU), said: "This budget is a very serious undermining of public education." "The Commonwealth," he said, "will recoup more from the states than they will spend on the drift in students to the non-government sector. This is a substantial move towards the marketisation of schools" (Cheetham, 1996, p6). Ms Sharan Burrow, also of the AEU, affirmed these fears in the Sydney Morning Herald saying that "what we have is a government that says we want to reduce the amount of money spent on schooling and we will actively promote the privatisation of education" (Raethel, 1996). Of course one could argue for the benefits of privatisation, open competition and choice (Hogbin, 1987 & Chipman, 1990) and indeed against all the other issues arising in opposition to the abolition like residualisation, but it is not the intention of the research to do so, but however, to merely highlight the concerns of the opposition to the abolition of the policy, which will in future, constitute the basis for new demands for other policy change.

Several State governments in response to the abolition, and perhaps the concerns of the stakeholders opposed to the decision, have set up a review of the registration of new schools. New South Wales, South Australia, Queensland and Western Australia have all begun an examination of the registration of new non-government schools (Educare News, 1997, p3). Mr Rob Lucas, Minister for Education in the South Australian government, stated that the South Australian government will not allow "a completely free market for the establishment of new non-government schools" in the state (Educare News, 1997, p3). Mr Lucas's comment in loose terms reflects the concerns of the other State governments currently looking at the registration requirements of non-government schools.

It is interesting that the issues raised in response to the abolition of the New Schools Policy are not new, they were all raised prior to and during the implementation of the policy. The stage is therefore set for the play again. The number of approvals up July 1997 for new private schools has increased by 100 per cent (Ashdown, 1997, p1), percentage of student share held by each sector is set to dramatically alter, the possibility of a funding swing, the threat on equity has been raised, the impact of duplicated resources, the creaming off of students, the economic viability of small non-government schools, the pressure from stakeholders who strongly support a free public education system, it is all there again. None of the issues have changed. It is as if a huge wheel has merely turned one more circle, set for another cycle. This gives us an indication into the nature of non-government educational funding policies in the future.

The issues that have again been risen are extremely contentious, and as we have seen, are not easily resolved. Debate will always rage amongst stakeholders and political parties and in a sense an amicable conclusion will never be reached. One can however, safely assume that Commonwealth funding for private schools will never be withdrawn as it is not politically expedient for either party to do so. Politicians have a preoccupation with securing and retaining office and hence their willingness to lean towards pragmatism and compromise in the interests of expediency rather than to adhere rigidly to party platform and principle (Durston, 1987, p189). Ryan's hit list of 41 schools in 1984 and the resulting eight year plan is one such example. However, because of the contentious nature of the issues one can conclude that funding policy will change, particularly, as we have seen, with any change in Federal government.

There are several possibilities and obviously we can only make inferences based upon the past. If the coalition remain in power for another term it may be that we see a stronger move towards the privatisation of education in the form of the voucher

system for higher education that Dr Kemp instrumented in the Liberal-National party's 'Fightback' policy platform in March 1993. Any further moves however, towards a privatisation model of education would be met with very strong opposition from both the Labor party and the major stakeholders who have expressed vehement opposition to the funding of private education. Based on this premise it is therefore unlikely that any further major policy change will occur until a change in government as we saw with the 1983 and 1996 changes which resulted in the birth and death of the policy. Obviously with the stage set again with the same players and issues, when the Labor government returns to power, there is the very real possibility, based on the history of political and educational ideology and subsequent tendency towards to the support of public education and the interests several of the key stakeholders, Labor will again take authoritative action to stabilise the two systems. The decision however, is not likely to be as 'harsh' as the restrictions contained in the past new schools policy as Labor officials have already admitted that they have to take a more passive approach to the idea of choice (Bough, 1997) and the possibility of strong political opposition would be great, making it not a wise move to make. The issues will be even more sensitive. Perhaps the new policy instigated by the Labor government will be a reflection of McKinnon's recommendations which sought to achieve a sense of fairness among all parties based on the competing plural values.

The other option is that control of schools and their funding will be increasingly handed back to the States. The States are certainly at the moment taking a more active role to confront the issues at stake with the reviews of current State registration procedures. In June 1996, the Federal government's National Commission of Audit recommended that funding for primary and secondary education should be the sole responsibility of State governments and that Commonwealth Specific Purpose Payments for schools should be transferred to untied Financial Assistance Grants (Watson, 1996, p16). Watson argues that this is not a viable proposition as the handing over of responsibility would not make the associated problems and issues go

away. Watson rightly states that if this option were to occur the fundamental issues, such as enrolment balance between the systems, would have to be addressed and resolved first (Watson, 1996, p16).

Summary

The above chapter has outlined the review and abolition of the New Schools Policy. It has shown that before the announcement of the review of the policy there was considerable mounting pressure from several stakeholders for the abolition, either in part or full, of the policy. That pressure came from the Australian Association of Christian Schools (AACS), the Seventh Day Adventist Schools and parts of the Anglican Church. The pressure from the above parties was focused primarily on the category 6 funding cap and the enrolment minima rulings, both of which had been added to the policy in 1989 by Senator John Dawkins. After voicing their concerns for some five years, the AACS laid claim to the instigation of the policies review (Crimmins, 1997, pers. comm. July 11, & Skuthorpe, 1997, pers. comm. July 3). This claim however was not confirmed by the then Minister for Education, Ross Free. Mr Free stated that the initiation for the review came from the Department of Employment, Education, Training and Youth Affairs, specifically from the schools division, and was a routine review of a policy that had been in place for some ten years (Free, 1995, p1 & Free, 1997, pers. comm. April 29).

The review of the policy was undertaken by Professor Ken McKinnon, a prominent educator and authority on educational funding policies. The review consulted and received submissions outlining the views and concerns of the majority of stakeholders in Australia and was under pressure to recognise the value and needs of each 'opposing' sector of education. It attempted to draw together the plural values that Australia had embraced, including; efficiency, choice, excellence and competition, as well as equality, equity, access and exclusiveness, and produce a set of workable rules

that were fair to all parties concerned. It appeared that the final report had achieved what was to be a fairer New Schools Policy, particularly for the non-government sector, while seeking to protect and uphold a strong public sector of education. It is not known whether the recommendations would have been accepted in their entirety, but according to the Hon Ross Free, PEP would form the basis of the revised policy.

As a direct result of a change in government the New Schools Policy was abolished. Announcement of its abolition came in the first budget release of the coalition government in August 1996 and was effective as of January 1997. The Liberal party abolished the policy to greater emphasis the theme of choice and was intended to do away with the previous government's attempt to impose a "bureaucratic, unfair and inequitable burden on non-government schools seeking Commonwealth funding" (States Grants Bill - Second reading, 1996). The abolition of the policy had been constantly voiced and promised by the coalition, particularly from the time that Dawkins announced the second set of modifications in 1991. Underlying the Liberal party's decision was the possibility of savings to the Commonwealth educational budget through the encouragement of the non-government sector.

Reaction to the policy's abolition was strong, particularly from parties that had long demonstrated strong support for the public sector and who did not recognise the government's obligation to fund parental choice. Interestingly all the issues and concerns the opposition's decision to abolish the policy had raised were the same as had been previously raised prior to and during the life of the policy. This would indicate that these issues will form the basis of new demands and some form of authoritative action in support of the public sector will be taken again, particularly when a more 'sympathetic' party returns to power. It is probable that no further major policy changes for the funding of non-government schools will occur until the re-election of the Labor party. When they do it is very possible that they will again take steps to arrest the 'proliferation' of the non-government sector. Perhaps the

recommendations of the McKinnon review will form the basis of a new policy. In the mean time there is the possibility that the Commonwealth will increasingly remove itself from the issue of non-government schools. If it does, the sensitive issues of enrolment balance, choice and equity will not be solved, but merely passed down the line. An addressing of these issues is the priority. Until they can be properly debated and a realistic solution be reached where both sectors of education are valued equally, then there will always be pressure from both sides for the financial support of 'opposing' values of educational provision.