

EQUALISING EDUCATIONAL FACILITIES

Liberal-Country Party School Funding Measures 1963-1972

3.1 INTRODUCTION

Public funding remained the sole prerogative of the government sector from the educational settlements of 1872 to 1895 until the introduction of subsidised interest payments for private schools in the Australian Capital Territory in 1956. This ensured the dominance of public systems because only the Roman Catholic church saw fit to persevere with its rival schools. Some of the other Christian churches maintained a nucleus of schools predominantly focused on preparing students for university or commercial careers.

The exercise of parental choice came at a cost. For Catholics that cost was relatively low, for others it was much higher. Independent denominational schools therefore exercised a degree of social selectivity of students based on the financial capacity of their parents.

After 1945 Australian education underwent a profound change in response to the perceived needs of a modern industrial nation. The resultant financial pressures on schools raised two issues, whether the Commonwealth should assist the states in funding schools and whether public funding should be extended to private providers. For non-government schools, these became a single question: To what extent should freedom of choice be publicly funded?

This chapter analyses the reasons for the Menzies government's reopening of the state aid debate. The circumstances leading to these changes and the impact they had are assessed in relation to Liberal political ideology and the electoral advantage they yielded. Three specific questions are examined: (1) whether Menzies' actions were consistent with his stated principles or whether he was simply an opportunist with a sense of pragmatic realism; (2) whether Commonwealth aid did lead to an equalisation of educational facilities; and (3) whether aid led to a revival of sectarian divisions as was feared. Subsequent expansion of Commonwealth funding under the Gorton and McMahon governments is also traced, together with the variety of community responses. Finally, this chapter examines whether Commonwealth aid led to the growth of the non-government sector at the expense of government schools.

3.2 THE STATE AID FOR NON-GOVERNMENT SCHOOLS DEBATE

3.2.1 Post-war population growth and educational inequality

Australia's population grew by a staggering 39% between 1947 and 1961 (Department of Immigration, *Population Flows; Official Year Book of the Commonwealth of Australia*, various years; see Table 4, Appendix 4) because of an increasing birthrate and an expanding immigration program. Primary schools were overfull during the 1950s and these students reached secondary education in the early 1960s. The Australian school population stood at 2.1 million in 1960. As well, the proportion of sixteen year olds staying on at school had increased from 22% in 1956 to 40% in 1964 (Connell 1993, 80).

In 1960 there were 2205 non-government schools nationwide which educated 510,720 students, some 24% of total enrolments. Over four-fifths were in Catholic schools where numbers had doubled since 1945. Between 1960 and 1969 non-government school enrolments increased by a further 18% (Connell 1993, 93-94, 100-101).

These enrolment trends strained the capacity of Catholic schools because the church was not able to keep pace with capital investment in classrooms and equipment, nor were they able to recruit sufficient teachers from the religious orders in order to staff these schools. As a consequence, the proportion of more expensive lay staff escalated from 25% in 1960 to 52% in 1968. Catholic school authorities were faced with a genuine crisis of survival (Hogan 1978, 4). Their capacity to serve the needs of the Catholic community was impaired. The proportion of Catholic children enrolled in Catholic schools fell dramatically from 73% in 1958 to 63% in 1963 (Barcan 1988, 250). It became increasingly clear that there was a growing inequality between the education and facilities offered in non-Catholic non-government schools and government schools and a wider disparity between government schools and the poorly resourced Catholic schools.

To address the recognised shortfall in public education the six state ministers commissioned a survey, published by the Australian Education Council (AEC) in 1964 as *A Statement of Some Needs of Australian Education*. The report presented educational needs as a national problem requiring Commonwealth financial assistance. It pointed to the wide gap between what society demanded and what the state governments were able to afford. It was estimated that at least 1000 additional classrooms and 6000 extra teachers were needed immediately, apart from any requirements for projected future enrolments. Already, the Jubilee Congress of ANZAAS at Sydney University in 1962 had identified catering for the expanded school population as the most pressing of the five key issues facing schools (Connell 1993, 85).

The significant social changes taking place in Australia during the 1950s put increasing pressure on all schools, but most notably the Catholic system as its greatly increased post-war numbers began to make the transition to secondary schooling. The perceived educational crisis led to a call for Commonwealth financial assistance to the struggling states by supporters of public schools which also led to a reopening of the state aid debate as calls were made for state aid for non-government schools in order to equalise educational facilities.

3.2.2 The Roman Catholic case for state aid

Hogan (1978, 29-30) has argued that educational reconstruction was only fifth of the five priorities the Catholic bishops had put to the federal government in 1943. Instead, it was in the public sector that educational needs became dominant as a result of the NSW Teachers' Federation campaign for a 'New Deal for Education'. In 1958 the Australian Teachers' Federation presented the Menzies government with a petition signed by 120 000 demanding emergency grants for state school systems (CPD H of R, 6 May 1958, 1456). Catholic schools, however, were not immune to similar cost and growth pressures though their effects had been partially quarantined by the use in the first post-war decade of carefully accumulated resources. A rapidly expanding national population with a growing proportion of Catholics and the movement of younger families to new suburban developments had placed extraordinary demands on church resources. It was particularly felt in the high cost and expanding secondary sector and as a result of the decline in numbers entering religious teaching orders.

By 1950, Catholic bishops had decided to meet the capital cost for school development from church reserves and to press Commonwealth and state governments for per capita grants equivalent to 50% of government school recurrent student costs. This request had been politely ignored. Another approach was tried in 1951 when the bishops proposed a relief system for all non-government schools similar to the non-sectarian health funding for church-run hospitals. This social service analogy opened the way for the later adoption by the Commonwealth of a needs principle (see Chapter 4). Negotiations with the federal government reached an impasse in 1954 causing Catholic bishops to adopt a new urgency in their dealings with government. Urgency had become necessity by 1959 as inflation eroded the church's reserves and as fund-raising programs were failing to bridge the increasingly large gap as more costly lay staff were being used to meet increased enrolments (Hogan 1978, 32-36).

Catholic lay militancy surfaced first in Western Australia and Victoria and then in Wagga during 1962 as a response to overcrowding and understaffing. Adopting the

arguments of American Virgil Blum, lobbyists claimed that choice by parents of the appropriate schooling for their children was a civil right under Article 26 of the United Nations Universal Declaration of Rights and that appropriate funding mechanisms to allow that choice were a matter of social justice (Hogan 1978, 54-56). A campaign was mounted for per capita funding for all non-government schools based on government school recurrent costs. The dispute was framed as a non-partisan one between parents and government (Hogan 1978, 61).

The choice argument was further developed by Father Kevin O'Sullivan SJ in *Equality in Education: Who should pay ?...* (1961). Its contention was that people's taxes should support the education of their children in the schools of their choice. It requested that the state pay equally for the education of all children, not that it should subsidise a church or school. On the basis of the UN Declaration it contended that freedom of choice and equality of benefits in education are the fundamental civil rights of all Australians. It was also argued that denominational schools are essential to the best in education because, unlike secular public schools, they taught that God was central to learning; secondly, that the assumption that the child belonged to the state, not God, was false; and, thirdly, the state had used financial coercion in favour of its own schools in its attempts to make education compulsory for all. The issue was not a sectarian one, as claimed by opponents, rather it was a political choice between state imposed uniformity or freedom of choice (O'Sullivan 1961).

The anonymous writer of the Suhard Papers (nd) sought to depoliticise the education debate by arguing that the central issue was the future of education for all Australian children and by recognising that the assertion of rights was unpalatable to non-Catholics. He urged co-religionists in future to argue that state aid was in the interests of the general welfare of the community for it preserved minority sub-cultures and maintained the standard of education. Strong state and independent systems could work together in harmony for the good of the nation (Suhard Papers, 15). A remarkable aspect is its anticipation of the later widely held position that governments ought to foster normative associational pluralism.

In 1962 Bishop James Carroll's pamphlet, *Independent Schools in a Free Society*, advanced the proposition that parents, having taken the responsibility to bring children into the world, have the natural right to determine the nature of their schooling. As Connell (1993, 107) remarked 'Bishop Carroll appeared to have confused parental responsibility with natural right - for a theologian, a surprising identification of duties with rights'.

Catholic education was increasingly confronted by an erosion of students from denominational schools. In 1958, 73% of Catholic children were being educated in Catholic

schools, whereas by 1963 only 63% were. Over a similar period the proportion of lay teachers grew from 15% in 1956 to 25% in 1960 (Barcan 1988, 250). In the end, it was the sudden expansion of student numbers, as a result of the 1961 Wyndham scheme, that created a crisis for Catholic schools.

In September 1961, the NSW Catholic bishops mounted a campaign for justice in funding. The Catholic press, the Parents and Friends Association in each school, the Knights of the Southern Cross and key Catholic public servants were mobilised to support the hierarchy's claim (Hogan 1978, 44-45). The Catholic Episcopal Conference resolved to press state governments for a per capita grant of ten pounds for each primary school child. The case for state aid received further development and concrete expression in the five-point proposal Archbishop Gilroy made to the NSW ALP government in 1963:

1. An annual scholarship allowance of thirty pounds for secondary students;
2. Extension of teachers' college scholarships to cover trainees for independent schools;
3. Capital grants for new schools and extensions to existing schools, or interest payments on loans for capital works;
4. Subsidising lay teachers' salaries in independent schools;
5. Additional assistance to equip science laboratories.

(*SMH*, 12 October 1963.)

Whereas the ALP federal executive barred the NSW government from responding, the Menzies Commonwealth government's reaction showed, not only a detailed awareness of these Catholic arguments, but a sympathy with the equity, justice and national interest principles underlying them and an eye for the political advantage they afforded.

3.2.3 The anti-state aid case

As Catholic claims developed, opposition hardened. State school defence committees were formed to influence the outcome of the 1962 senate elections. The NSW Teachers' Federation condemned state aid on the grounds that subsidies to religious schools were subsidies to religion and prohibited by the Australian Constitution. It argued that the 1880 Public Instruction Act would be undermined if denominational schools were subsidised. State schools alone could promote the unity of purpose and feeling needed in nation building (*SMH*, 18 December 1963). Teachers' unions in other states took a similar position.

These unions and the Australian Council of State School Organisations (ACSSO) drew on the arguments of visiting American Professor Freeman Butts that government support for non-government schools drained resources from the public sector and jeopardised the full development of state schools, and that a dual system of education provoked divisiveness in the community because of the segregation of children into sectarian groups. It was contended that students should be educated for citizenship in common schools. The right of choice

argument, based on UN Human Rights Article 26, was refuted. It was argued that any form of limited state aid would create the demand for other types of aid. The social justice argument was countered by the claim that to provide partial funding for one-quarter of Australian children was to provide a privilege which the other three quarters did not enjoy. Finally, it was argued that to segregate children on the basis of their parent's religion was as harmful as segregating on the basis of parent's income or colour (Australian Council for State School Organisations 1964, 5-13).

A third group of opponents, the numerically strong Evangelical Protestant New South Wales Council of Churches, also joined the pamphlet war. Their starting point was different. Whereas secularists emphasised that instruction in state schools was secular, Protestant churchmen pointed out that Section 7 of the 1880 Public Instruction Act provided that teaching 'shall be strictly non-sectarian but the word 'secular instruction' shall be held to include general religious teaching as distinguished from dogmatic or polemical theology'. As a result they argued that 'A system of public education which is based on religious principles, as exemplified in the Education Act of New South Wales, is capable of satisfying the basic requirements of Christian education' (NSW Council of Churches 1961, 3). The benefits of the government system were seen to be fivefold. It provided a basic education for democratic citizenship according to the needs of the community without sectarian or class distinctions. It provided general religious teaching as part of the daily syllabus. It also provided for instruction by the clergy in the tenets of a particular denomination under the special religious instruction provisions. It provided trained teaching staff for all children even in small or isolated communities. Finally, it provided education from infants to matriculation standard (NSW Council of Churches 1961, 20).

The Catholic claim to government aid was therefore rejected because, by supporting a rival system, such aid would undermine the 1880 Public Instruction Act. NSW Protestants denied there was a 'public demand' for Catholic schools and took up the American argument that common citizenship and unity of purpose requires common schooling in free democratic public schools. In contrast state aid would promote class and sectarian divisions because it prevented the social integration of students educated in separate denominational schools. These Protestants reiterated the simplistic view that subsidisation of schools equaled subsidy of religion and that this ran counter to the separation of church and state. They rejected as 'vicious' the Catholic sectional notion of taxation and its appropriation. In response they argued that taxation was a civic obligation unrelated to belief but closely related to democratic liberty. The expansionary demand for state aid, which had been shown by the 1943 English White Paper to produce inefficiencies through complications, would invite the imposition of an undesirable form of accountability on all non-government schools through state regulation

and control in the interests of public economy (NSW Council of Churches 1961, 18-19, 21-22).

In its 1963 Annual Report, the NSW Council of Churches deplored the Catholic push for state government funds at the very time when state schools were under-resourced. It foresaw that the combined pressure of state governments for additional funding to meet the expansion of their own systems together with the Catholic case for aid would lead to the 'national tragedy' of Commonwealth intervention and the removal of control of education from the state to remote theorists and administrators safe from public scrutiny (NSW Council of Churches 1963, 8).

In the pamphlet war that erupted over the aid issue between 1961 and 1963, some emphasised what could be learned from overseas experience, particularly from the United States, although not all showed an appreciation of the constitutional differences between the two countries (see MacLaurin 1963). A recurring theme was the need to preserve the democratic nature of public schools in the fight against Communism.

Bishop Carroll's notion that a right can be absolute and without reference to the capacity of society to meet the claim was rebutted by Lionel Elvin in the 1968 Theodore Fink Lecture at the University of Melbourne. Elvin (1969, 121) defined a right as 'a claim made by an individual or group upon society, or asserted by a society on behalf of all its members, the realisation of which is within the range of practical possibility and can be argued with moral force to be likely to lead to an improvement of society'. By 1968 the tide had turned too much in favour of state aid for either major political party to embrace such a clear philosophical foundation against the concept of state assistance for private educational endeavour.

3.2.4 Public reactions prior to 1963

Sections of the media were critical of both sides in the debate. One commentator (*Nation*, 28 July 1962) highlighted the widening gap in educational standards between under-resourced Roman Catholic schools and those financed by state governments as well as the particularly heavy handicaps suffered by Catholic children in Goulburn compared with their counterparts in nearby Canberra who had benefited since 1956 from Commonwealth assistance. A new uncertainty within the Catholic church was detected in the different views on how to handle what the article called the 'war of attrition' over state aid. The article identified three strategies: the passive non-aligned endurance of Cardinal Gilroy, the active support of non-Labor parties by Bishop Henschke of Wagga, and the strategic withdrawal and regrouping advocated by Father John Kelly, Director of Education in Canberra and Goulburn.

Sol Encel, NSW University Professor of Sociology, argued that the temporary closure of Catholic schools and the transfer of students to government schools in Goulburn during July 1962, in protest at onerous state government regulation, revealed a failure to comprehend that the relatively low expenditure on education was due primarily to the political weakness of the states. He argued that the Commonwealth should raise taxes to meet this shortfall otherwise, because of declining standards, 'the Catholic sector, or at least the poorer parts of it, is in danger of becoming an educational slum area' (*Nation* 11 August 1962, 8-9). Encel proposed that the Commonwealth should follow the 1959 French commission of inquiry which recommended that aid be granted not as a 'right', but because the state had the duty to maintain the intellectual, moral and civic standards of education. Aid could be offered but with state supervision of financial management, internal administration, pedagogic standards, teachers' salaries, teachers' qualifications, and the choice of textbooks thus bringing public and private sectors closer together. Later, when confronted by Whitlam's 'extravagant promises', Encel was to retract his support for needs-based federal assistance to schools (*Australian*, 22 October 1969). However, there are good reasons to believe that Encel's states' duty argument was considered by the Menzies government in deciding to grant limited direct assistance to non-government schools.

NSW teacher activist Helen Palmer contended that Protestants had reached a 'gentleman's agreement' with Catholics trading state aid for Protestantising state school curricula, thereby threatening their comprehensive and secular nature (*Nation* 25 August 1962, 5). This conspiracy theory would appear to be controverted by the strong anti-state aid stance of the NSW Council of Churches and by the fact that Protestants were fighting to retain, not extend, general religious education in the NSW school curriculum. It is true that many Protestants believed that by remaining committed to the public system, it was possible to influence the curriculum and pedagogy of that system in a distinctively Evangelical Christian way. Their unrealistic assumption was that as things had been in the past, so they would continue to be in the future despite the impact of post-war immigration which had led to a 5.5% decline in the Protestant proportion of the population between 1947 and 1961. These trends had alerted Catholics to the increasingly pluralist nature of Australian society. This contextual pluralism meant that the nineteenth century Protestant social, economic and cultural hegemony (Hunter 1987, 187-194) of public education was fast diminishing as events during the 1970s were to prove (see Chapters 4 & 5).

The secular press reacted sympathetically to the plight of Catholic schools, yet it was argued that responsibility for a costly system which was set up for the indoctrination of Catholic children was not a responsibility for the state (*SMH*, 12 July 1962). Numerous letters revealed five dimensions to the aid debate. The first was the question of social justice.

As D A S Campbell pointed out (*SMH*, 18 July 1963), non-state schools are not independent since they are under the control of the department with respect to syllabuses and examinations, therefore they may be said to perform functions on behalf of the state and are deserving of financial aid. Secondly, there were the interrelated questions of whether the separation of church and state would allow funding and whether this necessarily implied a measure of accountability and control (Anne Press, *SMH*, 13 September 1962). The third dimension was the question of the rights of minority groups in a pluralist society. K A Woolf (*SMH*, 18 July 1963) argued strongly for a reappraisal of the state school system in favour of a pluralistic public school system, such as those of Scotland and Holland. A fourth dimension, specific to New South Wales, was the ongoing debate between secularists and Protestants over changes to the general religious education component of the social studies syllabus. This wrangle spilled over into the state aid debate (*SMH*, 24 July 1962; 5 June 1963). Its outcome was critical to the continuing support of NSW Protestants for the public system. Finally, there was clear indication that, in New South Wales, the Australian Labor Party was divided with a majority supporting state aid for Catholic schools in contrast to the anti-aid stance of the Federal Executive (*SMH*, 3 September 1963; 4 October 1963). Individual parliamentarians, such as H D Ahern, questioned why aid should not be given and why the secular NSW Public Instruction Act (1880) was sacrosanct and incapable of revision to meet the needs of a developing community (*SMH*, 17 July 1962).

3.3 THE POLITICAL CONTEXT

Albinski (1966, 10) claimed that in 1955 about 70% of Australian Roman Catholics voted Labor and that 85% of all Catholics and two-thirds of Labor voters favoured state aid. At its 1953 conference the ALP had favoured state aid and a high proportion of its federal members of parliament were Catholics.

The split in the Australian Labor Party in 1956 arose from the clandestine anti-communist activities of 'the Movement', an unofficial Roman Catholic body led by B A Santamaria in Melbourne. The left-wing Victorian state ALP executive expelled a total of 104 members who in turn formed the new Democratic Labor Party (DLP) in 1957. Its membership was overwhelmingly Catholic and its electoral support ranged from a high of 16% to 17% in Victoria in the 1961 state and federal elections to below 5% in New South Wales. Nationwide support for the DLP peaked at just over 7% but collapsed after the federal elections of 1972 which returned the ALP Whitlam government. Being composed predominantly of Catholics, its main policy concerns were a militant anti-communist foreign policy, a strong national defence force and state aid to denominational non-government

schools. Its significance was not so much its own policies and electoral support, but the opportunity it afforded the Menzies government to stay in power by making policy concessions in exchange for securing second preferences in ballots.

The 1956 ALP split also divided Catholics. Victorian Catholics supported the DLP and were more inclined to direct action, while NSW Catholics, under the leadership of Bishop Carroll, continued to support the right wing of the Australian Labor Party and were more restrained, preferring persuasion to confrontation.

Despite the 1956 expulsions, the ALP remained a divided party. A left-wing faction dominated the Victorian party machine whereas a right-wing group controlled NSW. Although 50% of Catholics still voted ALP in 1966 (Albinski 1966, 10), its policy became more secularist and less sympathetic to the Catholic claim for justice in education through state aid. This was demonstrated by the way in which the federal executive overrode the NSW Education Committee which favoured aid for science laboratories and teaching facilities for all schools. In 1957 the ALP conference reversed its policy on state aid, declaring that there should be no educational grants to independent primary schools and that indirect aid should only be provided to individuals rather than schools in the form of secondary scholarships (*SMH*, 12 July 1960).

Larger political issues faced the Menzies Liberal-Country Party government. Elected on Democratic Labor Party preferences in 1961 on the slenderest majorities, 62 to 60, the Coalition government considered itself vulnerable. Externally, it was faced with the foreign issue of Communist insurgency in Malaya. Menzies' main problems were how to secure the continuation of his government's term of office and how to insulate the nation from foreign threats (*SMH*, 8 October 1963). Against this background, the state aid question loomed as possibly the most divisive in post-war Australia. Yet it was this issue that the predominantly Catholic DLP, on whom Menzies had to rely for preferences, felt most strongly. How would the government respond in the climate of heightened awareness of an educational 'crisis' in the aftermath of the July 1962 Goulburn Catholic protest strike?

3.4 THE GOVERNMENT'S RESPONSE TO THE CALL FOR STATE AID

The lines along which the Liberal-Country Party government would move can be found in the first significant federal parliamentary debate on education in July 1945. Liberal frontbencher Percy Spender stated that 'It should be the function of the Commonwealth to equalise educational facilities throughout the Commonwealth' (CPD, H of R, 26 July 1945, 4629), thus revealing that some federal parliamentarians were prepared to consider aid to the

struggling states to improve education. The Liberal focus was not on individuals, nor on institutions, but on the facilities by which this improvement might be achieved. In the same debate Menzies himself advocated 'substantial Commonwealth financial aid' to the states for scientific research and training, for university and technical education, as well as for improving the qualifications and status of the teaching profession (CPD, H of R, 26 July 1945, 4612-4619). Country Party leader Earle Page had taken up the Australian Teachers Federation's 1943 proposal for a comprehensive inquiry by a qualified commission to investigate teachers' salaries and living conditions, and urgently needed new buildings, laboratories and lecture rooms (CPD, H of R, 26 July 1945, 4635-4636). Menzies expanded this to include 'some expert or experts from overseas' (CPD, H of R, 26 July 1945, 46). Page also expressed the belief that war had 'enormously heightened' the need for Commonwealth action and then went on to state that 'the Government should provide school libraries which would have some association with the civic life of the community' (CPD, H of R, 26 July 1945, 4637).

Why then did it take nearly two decades to introduce something that was seen in 1945 to be both an urgent need and vital to the future progress of the nation? A related problem is why the Coalition governments avoided appointing a comprehensive commission of inquiry into schools including input from overseas experts. In seeking to answer these questions consideration is given to how, once limited direct aid had been introduced, it was extended and expanded by later Coalition governments from their stated intention to equalise educational facilities towards the much larger goal of providing subsidies for all privately-provided schooling. The previous explanations of Bessant (1977), Birch (1977a), Gill (1965), Hogan (1978) and Smart (1978) are also reconsidered.

3.4.1 Making sense of Menzies' position

Was Prime Minister Menzies a pragmatic opportunist or a principled but cautious politician? If the latter, why did it take him so long to resolve the seemingly conflicting principles of Constitutionality and commitment to a religious basis for education? Why has the opportunistic interpretation been so widely accepted?

Bessant (1977, 87) has argued that Menzies' personal views on school education were straightforward. He favoured church schools because the private independent school reinforced true liberalism by emphasising initiative, independence, free-enterprise, self-sacrifice and citizenship. Church schools modelled the real freedoms: 'to worship, to think, to speak, to choose to be ambitious, to be independent, to be industrious, to acquire skill, to seek reward. These are the real freedoms, for these are the essence of the nature of man'

(Menzies 1943, 5-6). He saw the freedom to choose as being foundational to a satisfactory anthropology. He claimed experience had taught him that 'education should always be conducted against a religious background' (CPD H of R 26 July 1945, 4616). Why then was he not prepared to listen to the pleas of Catholic educators from the mid-1950s as they made representations for federal aid?

There appear to be four main reasons. The first is that Menzies simply saw the provision of Commonwealth aid to the struggling states for their universities as being a more important issue for his government. Smart (1978, 26) has pointed to Menzies demonstrating 'a powerful sense of personal responsibility for the welfare of universities'. His government was responsible for the implementation of the Mills committee report on university finances. Menzies also commissioned and implemented the recommendations of the Murray report and those of the Martin committee. This preoccupation with universities continued for all of the 1950s. In 1958 the government had legislated for the establishment of the Australian Universities Commission as well as for capital and recurrent expenditure in triennial grants (Birch 1977, 21).

Yet this extensive Commonwealth assistance appeared elitist by benefiting only the brightest matriculants. Menzies' view was that hard work, thrift and independence were essential for success (CPD, H of R, 6 May 1958, 1456). As Attorney-General in the Victorian state parliament in 1932, he had supported the substantial increase in fees paid by students in state secondary schools while scholarships were made available to the most capable (Bessant 1977, 80-81). Menzies' commitment to quality education at both secondary and tertiary level was for the minority who could afford it and for the academically gifted who would compete for scholarships provided by the Commonwealth Universities Scholarship Scheme in 1951. The remainder would undergo vocational training in preparation for the workforce. Although he had more to say about education than any other Australian prime minister and 'maintained a consistent outlook towards schooling and education in general, firmly based on the British academic and scholarly traditions', universities, not schools, were Menzies' focus because it was in them that 'he believed lay the salvation of the nation' (Bessant 1977, 75). Menzies believed that the Commonwealth's commitment to triennial funding for universities would free the states to devote more resources to school and to technical education. In retrospect, these views appear elitist and undemocratic. Menzies would not have thought them so.

The second reason for Menzies' reluctance to introduce Commonwealth aid arose from his personal and professional belief in the essential correctness of the division of powers in the Australian Constitution. In 1920 and again in 1926 he had represented first the

Western Australian then the Victorian state governments before the High Court in unsuccessful challenges to the wide interpretation the Court was giving to section 96 powers of the Constitution. Smart argues (1978, 4) that this left a lasting impression on Menzies. A staunch upholder of the Constitution, he was troubled by the centripetal forces, mainly in the form of Constitutional amendments, judicial interpretations and economic factors, which led to a weakening of state powers and a concentration of financial resources in the hands of the Commonwealth. To his mind, schools were a state matter and for the Commonwealth to interfere in such a large area of state expenditure was to tip the balance in Commonwealth-state relations. Although Menzies had gone on record as early as 1940 in supporting instruction as a national matter (*Education*, 22 February 1940, 103) and again in 1943 as a 'strong supporter of national control in education' (*Hobart Mercury*, 11 August 1943; CPD H of R 22 September 1960, 1227), he was reluctant as Prime Minister to allow the Commonwealth to foster greater uniformity than already existed (Menzies 1961, 5). He did not perceive any popular agitation for Commonwealth control and a uniform pattern of schooling (CPD H of R 6 May 1958, 1456). Although aware of the potential of grants to the states under Section 96, Menzies was disinclined to use these powers to intervene in school funding (Bessant 1977, 83). This reluctance was reinforced by the financial constraints imposed on Australian governments.

This is not to say that Menzies was not convinced of the need for improvements in secondary education. Successful representations by Archbishop Eris O'Brien of Canberra-Goulburn on behalf of Catholic schools in the Australian Capital Territory had persuaded Menzies to introduce subsidised interest payments in 1956. This form of aid had been achieved without serious Protestant backlash because of the support given by the Anglican bishop of Canberra and Goulburn. Menzies had also been careful to make this out as a special case which should be viewed in isolation. He argued that the forced transfer of many public servants to the national capital had led to the rapid expansion of schooling and an expectation of the provision of sufficient non-government school places. Menzies was prepared to concede 'in these circumstances it would hardly be reasonable to suppose the church authorities should have all the additional burden of this growth without assistance from us [the Commonwealth government]' (*SMH*, 21 September 1964). Smart considered that Menzies may well have been using this as a test case for further action using specific purpose grants under section 96 whilst upholding states rights (Smart 1978, 9).

Menzies undoubtedly found the economic arguments of Professors Peter Karmel, Fred Schonell and Ted Wheelwright, WC Radford (Director of the Australian Council for Educational Research) and the Vernon and Martin committees to be compelling (Connell 1993, 69-71). The Vernon Report's argument that education was essential for economic

growth was reinforced by Karmel's 1962 demonstration that education plays a critical role in the conversion of resources into production and is therefore critical to a country's rate of economic growth (Karmel 1964, 27). These views were likely to strike a chord with the government. This was reinforced by his demonstration of Australia's relatively low level of investment in education (Karmel 1964, 44-45). Karmel (1966) also demonstrated that three quarters of the increase since 1963 had merely catered for the rapid numerical increase, rather than effecting a qualitative improvement in standards.

The third reason for Menzies' hesitancy can be found in the Australian experience of sectarian rivalry. The nineteenth century education settlements had created an artificial divide where public schools were supported only by Protestants and secularists, but not by Catholics. The public school alliance derived from a lack of a strong theory of education amongst Australian Protestants who were satisfied with the limited access to government schools given to clergy to provide Religious Education. At a time when only 11% of the population could be classed as having no religion, state schools were essentially Protestant schools. Only 4% of their children were from Catholic families and a small number came from non-Christian backgrounds. Catholic schools catered predominantly for Catholic children with fewer than 10% of enrolments from outside the faith. The hierarchy's strong insistence on the observance of Canon Law 1374 (which prohibited Catholic children from attending non-Catholic or mixed schools), the development of a separate system of parish schools and the mainly Irish origins of most Catholics, with their antipathy to British Protestant ascendancy, had exacerbated sectarian tendencies well into the 1950s (Campion 1982; 1987). Just how pervasive sectarianism actually was in the increasingly pluralist Australian society of the 1950s presented a difficult problem for astute politicians such as Menzies when confronted with Roman Catholic claims for social justice in the form of public support for non-government schools.

In this context Menzies' caution was understandable. The Canberra precedent showed that with careful political management the needs of struggling non-government schools could be met without upsetting the constitutional balance between Commonwealth and states. Menzies knew that sectarianism was less of an issue in Victoria and Queensland where Anglicans and Catholics were closer in their outlook (for example *The Tribune* and *The Advocate*, 11 October 1962). In New South Wales and South Australia, however, the position was different because of the strong anti-Catholic stance of Evangelical Protestants and because Sydney Anglicanism had a more combative low church composition than Anglicanism elsewhere in Australia. Militant anti-state aid Protestants in these two states sought alliances with anti-Christian secularists against Roman Catholic claims. Menzies was wary of the emotional force of their appeal. By incrementally increasing the forms and amounts available

as indirect support, Menzies was cautiously preparing for the possibility of direct Commonwealth involvement in school funding.

Finally, there were the political considerations that, before 1960, education was not seen as a vote winner. As Simms has argued (1982, 55-76), the Menzies' ascendancy was based on the successful creation of a rhetoric of growth, development and affluence. Coupled with this was the foreign factor - the Communist threat. For Liberals, education was primarily a means to an end, not the quality of life issue it became under Labor in the 1970s.

Pressures for Commonwealth intervention developed as a response to the combined impact on all schools of rapidly increasing school enrolments, inflationary pressures following the Korean war, the shortage of trained teachers especially in Catholic schools, the introduction of an extra year's schooling into the large NSW school system and the needs for higher standards in secondary science education. The Headmasters' Conference in September 1959 began to press for capital grants to independent schools to meet need for modernisation, increased teaching of science and the pressures of increases in the school population. State governments were also concerned about their inability to keep pace with demands for school development and upgrading. The Premiers' Conference raised these matters with the Prime Minister in 1959 and again in 1961 and 1963 (Smart 1978, 44-47). The 1958 and 1960 well-publicised National Education Conferences jointly sponsored by state school teacher and parent organisations had increased public awareness of the plight of state schools (Smart 1978, 41-43). The 1961 Annual Conference of the Australian Council for School Organisations appointed a deputation to meet with the Prime Minister to press the case for Commonwealth aid to state schools. This was followed by telegrams to leaders of major parties in November 1961 (*SMH*, 6 November 1961).

In conclusion, Menzies was faced by two firmly held principles which appeared incompatible in the political climate of the time: his belief in the efficacy of a religious basis for education and the knowledge that such schools were under enormous financial pressure, and his belief in the importance of states rights under the Australian Constitution. The states had exercised those rights in favour of a monist secular education system. Although Menzies was possessed of a way of resolving this incompatibility under Section 96 specific purpose grants to the states, he was cautious about intervening because of the unknown strength of sectarian feelings, especially in New South Wales and South Australia. What prompted him to use this means of assisting struggling church schools must now be examined.

3.4.2 Immediate stimulus for Commonwealth intervention

What changed Menzies' mind in 1963 about Commonwealth direct assistance to schools? Albinski (1966), Tannock (1969, 508-515), Gill (1964, 271-354) and Bessant (1977, 86) have offered explanations. The following forces have been identified as being at work in 1962-63: pressure from the press; the coalition government's vulnerability in not having a definite education policy; the need for DLP support; and the opportunity to capitalise on ALP disagreements and disarray stemming from the federal ALP executive's overruling of the NSW state government's intention to provide aid to non-government schools, thereby alienating many traditional ALP voters in the Catholic community. Country Party coalition partners were particularly aware of the difficulties under which non-government schools laboured since many were reliant on boarding schools for the education of their own children or those of their electors. The near loss of the austerity election in 1961 was reason enough to give effect to Menzies' personal preferences in order to achieve the electoral advantage for his party which would flow from Catholic support. The deftness of his political judgment in this case can be seen in the ten seat swing to the government in 1963, seven of which were captured from the Labor heartland in NSW. Because of this tactical feat, Menzies has sometimes been portrayed simply as an opportunist.

The immediate stimulus was the split which developed in NSW Labor ranks as a consequence of the Canberra-Goulburn Catholic hierarchy's confrontational stance over the registration of Our Lady of Mercy Preparatory School in Goulburn (Hogan 1978, 64). The temporary closure of all six Goulburn Catholic schools (in a town where over 36% of the population were Catholics) and the attempted enrolment of these students in government schools excited press attention, not all of it favourable. The *Sydney Morning Herald* (11 July 1962) unsympathetically portrayed the action as 'demanding money with menaces'. Public opinion tended to agree by showing a rise in anti-Catholic sentiment. However, once the crisis was past, the trend towards greater acceptance of a plurality of religious viewpoints continued (Mol 1985, 24 & 113). Was then the Goulburn Catholic schools 'strike' in July 1962 the catalyst for change in Commonwealth policy regarding school funding? Hogan, who carefully examined the forces and events surrounding this action and the interest groups involved in it, was led to the conclusion (1978, 72): 'It is clear that Goulburn in July 1962 stands at a watershed in state aid politics'. It is also clear that the episode left a lasting impression on state and federal politicians (Connell 1993, 104).

The issue appears to have played into Menzies' hands at a time when he was actively engaged in making a strategic arrangement with the DLP to secure its support in its Victoria

and Queensland strongholds to increase his government's majority. In New South Wales there was the need to capture a significant number of Australian Labor Party (ALP) votes. To offer aid would attract DLP preferences and it would divide the ALP vote, but it ran the risk of alienating the votes of Protestants who supported state schools, particularly in New South Wales. The timing of the announcement during the campaign preceding the 30 November 1963 election, without any prior public discussion, was designed to limit the extent to which church and secular interests could mobilise public support for the pro-state school case. Meanwhile the main focus of the electorate during the campaign was kept very firmly on the national security implications of the Malayan crisis. Once a mandate had been given, Menzies was convinced that the Australian public would accept that this aid measure was both limited in extent and in the national interest in much the same way in which it had accepted interest rate subsidies to ACT non-government schools.

Correspondence columns in the metropolitan dailies had revealed a significant number of non-Catholics who were convinced that social justice demanded some aid for Catholic schools. Since the Anglican hierarchy in Melbourne and Canberra had publicly expressed support for aid for struggling non-government schools, the conclusion could be drawn that many of their members would be unlikely to 'punish' the government if aid was offered. Sydney in particular, and New South Wales in general, held the key to Menzies' likely electoral success. Many of the Evangelical churchmen were conservative in their politics. They lacked the structures for engaging the Commonwealth government on any issue, especially education. Their energies had been focused on defending the place of religious education in NSW government schools. It appears that Menzies was prepared to risk that these Protestants would not vote for the ALP, even if the government announced aid to schools. Sectarian animosity would not in all probability drive them so far as to vote for the party which was identified in their minds with the Catholic working class. Furthermore, the proportion of non-Catholics in the population was steadily falling (Anglicans down from almost 44% in 1921 to 38% in 1954 and to 35% in 1961 [Carey 1996, 200-204]), so they were less of a force than forty years earlier. Menzies may also have sensed the diminishing influence church leaders were able to exercise over the minds and voting habits of nominal church members. On the positive side, Menzies could see that the promise of aid was likely to entice a significant number of Catholics to vote for the government parties simply because there seemed little hope of the ALP ever reaching agreement in favour of aid, given that its educational policy was dominated by the Australian Teachers' Federation and its state affiliates.

The needs of the state system and the real danger of the collapse of the Catholic system were sufficient reasons for the introduction of federal assistance to schools. The

mechanism of using the Section 96 States Grants provisions of the Constitution allowed Menzies to intervene without transgressing on the rights of the state governments. A limited and reversible form of financial assistance was the most prudent way in which to test the strength of combined anti-Catholic Protestant and anti-religious secularist feeling. The *Sydney Morning Herald* (12 October 1963) reported that some NSW state parliamentarians believed the Catholic hierarchy's ultimate target in staging the Goulburn protest was the Menzies government, which had already given assistance to ACT non-government schools and whose tenuous hold on power made it susceptible to negotiations to secure the Catholic vote. This gains credence from the ready support Archbishop Mannix of Melbourne gave to the NSW bishops. In turn, his influence on the DLP and the latter's willingness to trade voters' preferences with the Liberal-Country Party (LCP) was all that was necessary to secure the Menzies' government's re-election. So Menzies took a calculated step and announced aid for science facilities in government and non-government secondary schools.

3.5 COMMONWEALTH DIRECT FUNDING PROGRAMS

Along with this announcement came the promise of capital assistance for technical institutions and a Commonwealth scholarship scheme for secondary and technical students. The LCP Coalition promise had the appearance of being a direct response to the five-point proposal Archbishop Gilroy had made to the NSW ALP government and which the federal ALP executive had overruled. Of the five points the Archbishop had proposed, the LCP promises met the first and fifth requests in full and the third request in part.

3.5.1 Science laboratories and equipment

The choice of science education as the domain for the reintroduction of specific direct Commonwealth assistance requires some explanation. As Tannock has clearly demonstrated (1969, 200-202, 208-222), Australia found itself at a technological disadvantage at the outbreak of World War 2. Years of stagnation in education after the onset of the Great Depression meant that Australian schools and technical colleges needed reorganisation and the injection of Commonwealth funding to expedite the war effort. Concerns did not end there. In the 1945 House of Representatives debate, constant reference was made to scientific educational requirements in post-war reconstruction. The Wyndham inquiry into secondary education in NSW had also highlighted the deficiencies. It had also brought positive remediation by placing, for the first time, science education into the core of compulsory schooling. The problem for both state and non-government schools was that most were ill-

equipped to implement the Wyndham recommendations. A similar situation existed in most schools in the other states.

The Soviet space program's success in 1957 in launching its sputnik space craft ahead of the American space program brought shock waves through the Western democracies at the height of the Cold War. The Australian Headmasters Conference (HMC) had urged governments to give more attention to science. The HMC also accepted that capital grants to develop science education in non-government schools would not jeopardise their independence (Barcan 1988, 104-105). The adoption by leading industrialists of the British model of an Industrial Fund to provide grants to Australian independent boys' schools was warmly supported by the headmasters and by Prime Minister Menzies. Only a short step was needed for the Commonwealth government itself to become the sponsor of this development.

The Australian Science Facilities Programs, which began in 1964, provided unmatched capital grants for science buildings and equipment for government and non-government schools and grants to improve technical training. A sum of five million pounds (\$10 million) annually was allocated. The money was distributed on the basis of total secondary enrolments and was equally divided between government and non-government schools. State education departments determined how the money was spent in government schools. The Commonwealth determined the priorities among non-government schools. After 1971 the ratio was changed to 2:1 in favour of non-government schools. The 1977 Australian Council of Educational Research (ACER) evaluation concluded that the program had made 'a considerable impact upon the resources available for teaching science' and a beneficial influence in shaping science teaching patterns in schools (cited by Connell 1993, 240).

Ten thousand Commonwealth scholarships of one hundred pounds (\$200) a year for two years were provided for students in the final years of government and non-government schools. An additional maintenance allowance of one hundred pounds (\$200) a year was given to parents with children in non-government schools (Barcan 1988, 251).

3.5.2 Library funding

Commonwealth science funding was presented by Menzies as a specific limited response to a need in all sectors of schooling; it was also in the national interest if Australia was to maintain its place as an advanced industrialised country. The rationale for the extension of Commonwealth assistance to other aspects of schooling under the Holt, Gorton and McMahon Coalition governments was less clear. Tannock (1969, 526) drew attention also to the essential difference between the Menzies government's conduct of university funding policy and that of school funding. Programs for universities and other higher

education institutions were the result of recommendations of the Australian Universities Commission (AUC, set up in 1959) and its associated committees. Significant major reports had been published in October 1960, August 1963 and August 1966 following the initial Murray report of 1957. These reports contained extensive analyses of needs and remedies with recommendations which were open to public scrutiny and debate. In fact, the Commonwealth government accepted the recommendations of the first two AUC reports in full (Tannock 1969, 530). In contrast, school funding was set up without any formal public inquiry and in the context of electoral campaigns.

One of the first actions of the new Holt government was to establish the new Department of Education and Science in December 1966 with John Gorton as Minister. He was to be succeeded by the equally influential Malcolm Fraser. With this new portfolio came an interest in developing new programs. Education lobby groups had been successful, with media help, in creating a sense of crisis in schools during the early to mid 1960s. The fourth National Education Conference in June 1965 had carried resolutions asking for adequate funding for schools and for a national inquiry. The Menzies government resisted such demands. Instead, ministers reiterated the pre-1963 position that funding was appropriate by way of the general revenue grants to the states after which it was at the states' discretion how and where this was to be spent. General assistance to schools was seen to be in breach of the Constitution.

However, 1966 saw the beginning of a sustained campaign of the Library Association of Australia for school libraries and services. Support was found amongst a wide range of school groups including the Australian Teachers Federation, the Australian Council of State School Organisations, the Headmasters Conference, the Victorian Secondary Teachers Association, the Australian Libraries Promotion Council, the Premiers' Conference, the ALP federal Opposition, the Conference of Directors-General of Education, and the Australian Education Council (Smart 1978, 85). Some of these groups made submissions to, or had meetings with, the new minister.

The extension of Commonwealth funding to libraries under the Gorton coalition government in 1968 was the product of a complex web of factors. Smart (1978, 75-76) identified the six most pertinent forces at work: the generally favourable response to the science funding program; the widespread community concern about the state of Australian education; the accelerating divergence between Commonwealth and state government financial strength; the lobbying of various pressure groups; the government's awareness that the science program had yielded electoral advantages; and the desire of the Commonwealth Department of Education and Science to develop further programs. Of these, Smart considers

the campaign by the Library Association of Australia to be the decisive element in inducing the Commonwealth government to announce in its August 1968 budget the Commonwealth Secondary Schools Libraries Program.

After the introduction of capital grants for science in 1964, the press and state governments continued to advocate an expanded Commonwealth involvement in school funding. The Australian Education Council (of state education ministers) in 1966 put the expected level of needs at \$400 million over the following four years. Education remained a major issue in the federal election of that year, although the government offered no promises of extension of their funding beyond the science program which was due to conclude in 1971. Changes in Australian Labor Party (ALP) policy in August 1966 were a goad to the Coalition government to expand Commonwealth assistance. These included promises of the establishment of a Commonwealth Department of Education and Science, a national committee of inquiry into primary, secondary and technical education in government and independent schools, an emergency grant of \$20 million per annum to the states, the continuation of existing benefits to independent schools, and the contribution of \$22 million per annum towards non-government school teachers' salaries Smart (1978, 80-81). This put it ahead of the Liberal-Country Parties which only promised grants to states for new teachers' colleges and a doubling of the science laboratories funds for independent schools. Although they soon came out in favour of a new Commonwealth department of education, Coalition ministers were hesitant about promising assistance with meeting school recurrent costs. Capital programs were much easier to limit. As Smart observed (1978, 81)

Such a policy had the political and administrative advantages of providing maximum political leverage over the states, of placing a finite limit on the amount of assistance in any one area, and permitting flexibility in progressing from one initiative to another.

The first sign of changed government intentions was in Prime Minister Holt's Senate election speech on 9 November 1967 when he indicated that the government was thinking about future assistance for pre-school education and school library facilities (*SMH*, 10 November 1967). Indications were that, though the government had intended the libraries scheme to replace the science scheme when it expired in 1971, it might be prepared to fast-track the program if the need was demonstrated.

In Hobart in February 1968 the Australian Education Council (AEC) agreed to an approach to the Commonwealth for a library scheme. Catholic authorities and the Headmasters' Conference also continued to make representations, the latter specifically for library assistance. It was not until the August 1968 budget that the library scheme was announced. Smart (1978, 95-96) saw this to be the product of 'a perhaps uncommon

coalescence of the needs and interests of the public, the state and federal education bureaucracies, and the state and federal politicians'. Its success lay in its being highly visible and electorally desirable, relatively inexpensive and non-recurrent. It was also administratively feasible and consistent with existing Commonwealth policy. It met the demands for new directions in education and it was acceptable to state governments. Because it benefited schools in the government sector as well as the non-government, it was less likely to provoke community dissent than a program targeted only to the non-government sector. It was a clear example of a widely acceptable distributive political process where selectivity operated not against certain types of providers but in favour of a clearly identifiable and limited school resource (Morgan 1992, 294).

3.5.3 Other assistance, 1969-1972

State governments were keen observers of the effects of the Commonwealth funding initiatives. The benign political outcome (where opposition was fragmented and muted), together with an appreciation that federal intervention provided relief to state budgets, appears to have encouraged state governments to adopt a more benign attitude towards the justice claims of the non-government sector.

As early as 1964, some states had introduced per capita recurrent grants for students in non-government schools in response to the Roman Catholic request for annual scholarship allowances for secondary students and the subsidisation of lay teachers' salaries (Archbishop Gilroy's first and fourth proposals [SMH, 12 October 1963]). During the next five years all schools found themselves caught with expanding school populations as the post-war 'baby boomer' generation reached secondary schooling and higher than normal rates of inflation were experienced. Catholic schools had the added burden of diminishing numbers of low-cost religious staff which were being replaced by high-cost lay staff. The response of state governments is set out in Table 3.1.

Dogged by inflationary pressures during 1966 and 1967, the Headmasters Conference, taking into account the neutral effects of capital grants for science on the autonomy of independent schools, relaxed its previous resistance to recurrent aid by agreeing in principle to accept per capita grants. This was followed by a deputation to the Commonwealth Education Minister Fraser in 1968. National Catholic Education Commission representatives made similar approaches. Both lobbies convinced the Minister of the severity of the cost-price squeeze they were facing to the extent that he ordered a departmental investigation led by first assistant secretary, K N Jones.

Table 3.1
Contribution by State Governments to Recurrent Costs
of Non-government Schools

<i>State</i>	<i>Year of Commencement - Primary Schools</i>	<i>Year of Commencement - Secondary Schools</i>
New South Wales	1958	1964
Victoria	1957	1967
Queensland	1959	1964
South Australia	1959	1969
Western Australia	1958	1965
Tasmania	1958	1968

Adapted from P Karmel (chair), *Schools in Australia: Report of the Interim Committee for the Australian Schools Commission, May 1973*. Canberra: AGPS. Table 4.11, p 39.

The outcome was the introduction in 1969, again during an election campaign, of per capita recurrent grants to non-government schools of \$35 per infants/primary student and \$50 per secondary student. As Smart (1978, 99) remarked: 'This Commonwealth move was a very significant precedent, for it established a degree of *permanent* Commonwealth responsibility for providing non-specific (that is, *general*) recurrent financial assistance to independent schools.' In effect, this meant a continuing and long-term commitment which was open to lobbyist pressure for future increases.

The anticipated immediate public outcry and backlash against the government for reintroducing state aid never eventuated. The science and library funding programs appear to have disarmed most of the critics and given the public a clearly identifiable and widely accepted focus for what was very much a social justice issue. The net effect was the reintroduction of a publicly-funded dual system of schooling. Opposition to this was to build during the 1970s and led to the celebrated, although unsuccessful, Council for the Defence of Government Schools (DOGS) appeal to the High Court of Australia.

Demands for Commonwealth action did not stop there as pressures mounted for other initiatives. The government continued to appear to respond in an ad hoc way. During 1969-1970 Commonwealth programs for child migrant education and special aboriginal education scholarships were introduced. Heightened public pressures led to a review of Liberal Party policy in 1971. From this emerged the Liberal Party's National Goals Subcommittee of the Joint Standing Committee on Federal Policy. This committee reaffirmed the principle of educational opportunity and acknowledged that substantial inequalities in education existed. Schemes were offered to compensate for this - 'head start', child care

programs, assistance for isolated children, student loans and work-study programs. In December 1971 Prime Minister McMahon announced increases in per capita recurrent grants to non-government schools and a generous capital aid scheme for both the non-government and state sectors. These were at a cost of \$80 million per annum, sixty per cent of which was for non-government schools (CPD, H of R, 9 December 1971, 4434-4437).

In the 1972 election year the Prime Minister announced (CPD, H of R, 11 May 1972, 2455-2458) a five year \$215 million capital assistance program for state and non-government schools to start in 1973. A condition of this was that the states also contribute to per capita grants for non-government schools (something which most states were now doing, although Tasmania only supported secondary Forms V and VI and NSW secondary grants were means tested). McMahon had in view the need to gain maximum electoral support in the face of ALP promises and to protect independent non-government schools from interference if Labor came to power (as it did in December 1972). The announcement marks the point at which both sides of federal politics recognised the need for Commonwealth general assistance to schools.

The November 1972 election campaign brought further promises from Prime Minister McMahon of funding for preschool and technical education, isolated children's allowances, primary school library funding, education for the handicapped and a national school of business management. As in the past, these promises appeared to be ad hoc and incremental. The ALP, having overturned its no-state aid policy in 1966 and having responded to calls for a national commission of enquiry in 1969, now promised to create a Commonwealth funded Schools Commission in the belief that, in the words of its leader E G Whitlam, 'Education should be the great instrument for the promotion of equality' (SMH, November 1972). This commission would determine the needs of students in government and non-government primary, secondary and technical schools. The key words were 'equality' and 'needs' in this effective campaign to deliver 'a better deal for schools'. The translation of this rhetoric into practice is the focus of Chapter 4.

3.6 ADMINISTRATIVE MECHANISMS

The Coalition governments from Menzies to McMahon presided over the expansion of the Commonwealth education department from an office within the Prime Minister's department to full ministerial status in 1964. During 1966 it became part of the new ministry of Education and Science. Among those who presided over it were future Prime Ministers Gorton and Fraser. The administration of science laboratory funding built on the

prior experience of the Industrial Fund and drew upon information from the states and the non-government sector. Determination of priorities and administration of non-government school funding was vested in the Commonwealth Office and then the Department of Education. Allocations to government schools was delegated to the state education departments which had built up an extensive body of information and operational procedures over the previous eighty or ninety years. The Commonwealth administration was more remote from the day to day issues facing schools than its state counterparts. Its procedures were also remote and therefore more immune from criticism by those in either the government or non-government sectors.

At the same time, Prime Minister Menzies exercised great restraint in limiting both the growth of the Commonwealth education administration and its capacity to duplicate services already provided by state education departments. This restraint was less noticeable under Gorton and McMahon's leadership. Between 1966 and 1972 Department of Education and Science staff numbers expanded from 354 to 1504 (DEETYA, 1998).

Under Coalition governments, the Commonwealth education department was not an important factor in the depoliticisation of educational funding. Decision making and risk assessment regarding political dissent was confined to the cabinet where the responsible minister was able to argue for the consistency of new programs with overall government policy objectives. The Commonwealth education department offered advice built mainly on the quantitative evidence prepared by the Australian Education Council and drawn from the research of the state education department planning officers. The Commonwealth department's review of state policy and practice, and its funding of targeted projects, such as science laboratories and libraries, made education one of the more sensitive areas of Commonwealth-state relations by the late 1960s (Harman 1976, 7). The alleged distortion of state programs was seen, at least by some state educational administrators, as an invasion of states rights (Connell 1993, 623). The activities of the Commonwealth department therefore had the net effect of contributing to the level of dissatisfaction and dissent, rather than assisting in alleviating it.

3.7 IMPACT ON THE NON-GOVERNMENT SECTOR

Initially Commonwealth funding disproportionately favoured the non-Catholic non-government schools. Menzies revealed to the House of Representatives in May 1964 that government schools had received 3.653 million pounds (73% of Commonwealth funding),

Table 3.2 The Impact of Funding on Non-government Schools

A Number of schools

<i>Type of school:</i>	<i>Year:</i> 1963 1972	
Government	7 915	7 362
Non Government		
Anglican	121	108
Hebrew	10	*
Lutheran	25	*
Methodist	24	19
Presbyterian	36	33
Roman Catholic	1 802	1 768
Seventh Day Adventist	43	*
Other	9	113
Non-denominational	92	149
Total Non-Govt	2 162	2 190
Total Schools	10 077	9 552

B Teachers

<i>Type of school:</i>	<i>Year:</i> 1963 1972	
Government	67 455	104 547
Non Government		
Anglican	2 773	3 323
Hebrew	174	*
Lutheran	153	*
Methodist	759	733
Presbyterian	1 066	1 238
Roman Catholic	13 694	17 986
Seventh Day Adventist	158	*
Other	233	1 178
Non-denominational	1 052	1 410
Total Non-Govt	20 062	25 869
Total Teachers	87 517	130 416

C Students

Type of school:	Year: 1963	1972	Growth 1963-72
Government	1 755 833	2 228 941	27%
Non Government			
Anglican	42 143	49 516	17%
Methodist	12 315	12 321	0%
Presbyterian	16 902	18 760	11%
Roman Catholic	451 890	492 914	9%
Hebrew	2 544	*	}
Lutheran	2 706	*	}
Seventh Day Adv.	2 485	*	}
Other	3 805	19 407	}
Non-denom	15 213	19 092	25%
Total Non-Govt	550 003	612 101	11%
Total Students	2 305 886	2 840 951	23%
ng as % of total	23.85%	21.55%	

* Included in 'Other' category in 1972

Source: *Official Year Book of the Commonwealth of Australia* 1964, 1973

Roman Catholic schools 879 200 pounds (17.6%) and non-Catholic non-government schools 467 500 pounds (9.4%) when the proportion of students in non-Catholic non-government schools was only 4.2% (CPD, H of R 7 May 1964). This may reflect bias towards this sector, although it probably indicates that these schools already had procedures in place for making applications - a vestige of the previous Industrial Fund science grants program to HMC schools.

By 1969 the Commonwealth Department of Education and Science was able to report that at the end of the 1971 triennium all state secondary schools in Australia would have received equipment supplies and many would have new laboratories built with Commonwealth funds. Furthermore, 724 of the 756 independent schools seeking assistance had received equipment or laboratories (Department of Education and Science 1969). The program was clearly an effective way of lifting standards in Australian schools. This form of direct aid was limited, highly specific and reversible if the Commonwealth found itself confronted by either a sectarian or a political backlash.

The impact of the funding measures on the various sectors can be seen in the right hand column of Table 3.2. In 1972 when student enrolments were 23% greater than 1963, state schools had a student population 27% greater, Catholic school enrolments had increased by only 9%, and all non-government schools by 11%. Only Anglican schools in the non-government sector showed a growth rate approaching the national average. The net effect of the first decade of state aid was a small contraction of the non-government sector (from 23.85% to 21.55% of the total Australian student population). The alarm expressed by government school supporters over the effect such funding would have in causing the expansion of the non-government sector appeared unfounded. This may well have been due to the specific nature of the funding which resourced particular areas of need rather than serving to make private schooling more affordable.

A main beneficiary of the increased resources available to schools seemed to be the teaching profession. While the number of school students increased by 23% between 1963 and 1972, the number of teachers increased by 49%. Government school teaching numbers increased by 55% while Catholic and non-government school numbers increased by around 30%. Quite clearly, while non-government schools were advantaged by Commonwealth policies, the combined effect of Commonwealth and state policies worked to the advantage of the government sector.

3.8 PUBLIC REACTION TO COMMONWEALTH AID

3.8.1 The non-government sector

Non-government schools had good reason to be pleased with the Liberal-Country Party aid program. Most came to accept aid despite earlier principled objections to the possible loss of independence. The NSW *Catholic Weekly* (21 November 1963) welcomed aid as 'the recognition of the principle of equality' while the Victorian Catholic National Civic Council's *News Weekly* saw the science laboratory and equipment funding as 'the first major break through in the fight for justice in education' and that the proposals 'lay a firm foundation for the ultimate solution of the central problem of the independent schools' (cited by Gill 1965, 288). By 1966, the mainly Catholic Australian Parents Council (APC) had formulated a four point policy: a call for a substantial grant to overcome urgent problems, annual per capita grants, dollar for dollar capital assistance, and grants for teacher training (Hogan 1978, 190). Not all Catholics were confident that Commonwealth aid would ensure the continuance of Catholic schools. A number of leading thinkers and administrators, including Brian Crittenden and Patrick Crudden, advanced arguments for common schooling (Hogan 1978, 221-224; Selleck 1970, 37). Some Catholic parents were influenced by the

dissenting American book *Are parochial schools the answer?* and chose to enrol their children in public schools so that, whereas approximately 70% of NSW Catholic children were in Catholic schools in 1950, only 54% were by 1972 (Hogan 1978, 229).

Anglicans were divided in their response to Liberal-Country Coalition initiatives. Victorian Anglicans were generally in favour of Commonwealth assistance. NSW Anglicans were more ambivalent. The largest group, led by coadjutor Bishop Marcus Loane of Sydney, opposed state aid on a number of grounds: the separation of church and state; the potential for aid to reduce the independence of non-government schools; the effect of aid on the state school system; the use of aid as a bribe for votes; and the use of public moneys to support Catholic error. Others, led by Archbishop Gough, favoured specific, limited direct aid without the loss of school independence (the position adopted by the Headmasters' Conference). A third group defended directional pluralism which, in their view, conferred the right to obtain state aid.

The Loane group found themselves allied to other Evangelical Protestants and secularists in defending state schools. As early as 1954, Presbyterians had voiced their opposition to aid (General Assembly Blue Book 1954, Minute 236; and 1957, 151). This was reaffirmed by majority vote at the 1964 General Assembly (General Assembly Blue Book 1964, 189-190) where members were urged to take a hard look at the implications of state aid, particularly the question of how much and how far this trend would help or harm the church and the state system in twenty years time (Blue Book 1964, 191). At the heart of the debate was the belief that state aid to Roman Catholic schools was aid towards the teaching of the Catholic church and its religious orders (Blue Book 1964, 192). The freedom of choice argument was rebutted by the fact Catholic parents were compelled to send their children to church schools. This was clearly anti-democratic because it would lead to community fragmentation and sectarian cleavage (Blue Book 1964, 192). Most Methodists supported the view of the Rev Alan Walker that 'The 1963 election marks the first break in the wall separating the church and state in education. In a bid for votes political leadership has smashed the statesman-like solution of 1970 [sic]. Australia now becomes committed to the wasteful policy of using public monies to build a dual education system.' They were concerned that aid would give rise to endless pressure for an increased share of public monies; segregation in education on the basis of religion; and Australia moving from religious tolerance to religious favouritism. Direct aid, in Walker's view, discriminated against Protestant churches (Gill 1965, 291-292).

The position of smaller churches is illustrated by the NSW Baptist Union's resolution in September 1964 against direct government aid on the grounds that it 'fundamentally

opposes the Australian democratic concept and the Baptist doctrine of the separation of church and state' (Baptist Union 1964, 1). Influenced by its American counterpart, it simplistically compared Section 116 of the Australian Constitution with the American First Amendment in arguing that 'Once aid is given by governments to independent schools, that government is helping in the establishment of a religion' (Baptist Union 1964, 3).

This Protestant coalition was confident of its capacity to provide Special Religious Education in government schools and to influence the general course of curriculum development. Its members failed however to see the direction in which state schools were heading, away from the Protestant hegemony of the past towards a more open pluralist stance. They failed also to see their stance would force church schools in the absence of aid to increase fees and restrict enrolments to the wealthy, thereby alienating many of their own constituency who, from the mid-1970s, became involved in the low-fee Christian school movement.

A contrasting and more pragmatic view was put by Dr W F Hambly, the President-General of the Methodist Church of Australia. He criticised the Whig interpretation of history of those who considered the Education Act of 1870 as a statesman-like compromise. He saw Methodist fathers of the 1870s as entertaining a romantic assumption that it did not matter if children were not taught religion in schools. On the other hand, he believed that Roman Catholics had a much better and more realistic understanding of human nature. Half an hour's Scripture taught by not very competent teachers was blindly believed by many as sufficient. He was scathing in his criticism of church members who were 'completely apathetic to all the problems these [Methodist] schools face, what they are able to do, what they are trying to do, and what steps ought to be taken to improve their effectiveness' (Gill 1965, 292-293).

The response of the Protestant churches reveals a failure to recognise that a dual education system had always existed, irrespective of Commonwealth or state government funding. It also showed an inability to think through the issues associated with the multi-directional nature of Australian society, where Christianity was no longer the dominant force in public culture. Contextual and associational pluralism arising from Commonwealth immigration policies had produced normative directional plurality in public policy. Distributive justice now required an adjudication among all legitimate rights and duties within Australian society. The Protestant emphasis on the separation of church and state and on the protection of the independence and freedom of religion was an emphasis on negative distributive justice. Positive adjudication implied righting such wrongs as discrimination

against a minority group by correcting the existing fiscal injustice of denying funding to Roman Catholic schools.

3.8.2 Responses in the state school sector

Teachers' unions adopted a pro-federal assistance and anti-state aid stance as a reaction to the 1950 promise by the NSW ALP of support for non-government schools. Underlying it was a threefold conviction that only the public system could provide schooling for all without sectarian or class distinction, that the diversion of funds to non-government schools would harm government schools, and that only federal funding of public schools could ensure an acceptable standard of education for all children. It supported federal aid but only for government schools. This was a compromise position forged by the dominant right wing alliance. While they could agree on opposing the Left, its Catholic and Protestant members took different views on aid for denominational schools (O'Brien 1987, 31). The divided state of the NSW Federation, numerically the strongest teachers' union in Australia, and its foremost concern that teachers' salaries, class sizes and public school conditions be improved, meant that state aid questions were usually addressed with some ambivalence, often too late so that the union's effectiveness was compromised (Hogan 1978, 236-237). The introduction of compulsory unionism in New South Wales allowed the left wing leadership to cement its position and to expand the number of full-time union officials from nine in 1957 to 25 by 1975 (O'Brien 1987, 2; Barcan 1993, 99). This encouraged significant research and public relations campaigns were mounted, leading to a more strident anti-aid position.

The NSW Teachers' Federation and the two parent bodies, the Federation of Parents' and Citizens' Associations and the Federation of Infants' and Nursery Schools' Clubs jointly sponsored the June 1957 education finance conference, National Education Conferences in 1958 and 1960, and the 'A New Deal for Science' Conference in November 1961, each attracting between 1000 and 3500 delegates (O'Brien 1987, 15-26). The Federation responded to the Goulburn strike by emphasising the adverse effect of such action on Catholic children while at the same time promoting the principle that state schools were for all children, but not at the cost of classes of 49 students. It maintained that aid to non-government schools could only be justified on the grounds of efficiency or priority and then only after the needs of public schools had been met (O'Brien 1987, 32-33). The NSW Teachers Federation argued that Cardinal Gilroy's five point program threatened the public system, that it would foster class and sectarian distinctions and that it could result in the needless duplication of educational services (O'Brien 1987, 34).

During the 1963 federal election campaign, the NSW Teachers Federation urged electors to support candidates who pledged a national inquiry into education and the provision of emergency Commonwealth grants to the states (O'Brien 1987, 37). Not surprisingly, this was the exact position of the ALP. The Menzies government was castigated for failing in its responsibilities to public education. The surprise announcement of science funding, therefore, caught the Federation in a dilemma of how to continue its call for Commonwealth funding while denying the right of non-government schools to aid when up to 40% of its members favoured the dual system O'Brien (1987, 37). Opposition came to be based on the instrumental ground that public schools were in dire need of assistance, rather than on the principle that public funding should not be given to non-government schools. Nevertheless, some delegates to the 1964 annual conference were outspoken in their condemnation of Commonwealth funding as a piece of 'vicious class legislation' (O'Brien 1987, 38).

During the following two years, the Vernon and Martin reports and the published findings of Mathews and Karmel pointed to the nexus between public investment in education and economic growth. Each applied the human capital theory to heighten public awareness of the need for greater government expenditure on education. The Australian Teachers Federation adopted much of this rhetoric during the 1966 federal election in arguing the case for emergency grants for public schooling and teacher education. However, the limited community impact of the Federation's arguments can be seen in the promises of both government and opposition parties of further aid for non-government schools. After 1968, the Australian Teachers Federation joined the coalition of state school organisations in the Council for the Defence of Government Schools' campaign for 'State Schools First' (Horton 1974, 272).

State school parent and community organisations experienced the same difficulties the teachers' unions had in reaching a common mind and sustaining an effective campaign for increased public expenditure on schools while denying the right of non-government schools to share in that funding. The high degree of economic dependence on the state meant that public sector employment represented 26% of the total workforce at this time. Because 60% of these were in the state public services and because education was already the largest single department, it was hard to convince state governments they should spend more on schools (Barcan 1993, 85). Furthermore, the needs of public schools varied considerably between states as did the relative sizes of the government and non-government sectors in each state. State-based parent bodies lacked the channels for communicating their concerns to the federal political parties.

In New South Wales, where there had been a strong democratic working class push for equality of opportunity through public comprehensive secondary schools (Barcan 1993, 81), attempts had first been made to unite supporters of public schools. As early as 1959, a Secular Education Defence Committee had been formed. The Association for the Preservation of Public School Education (APPSE) had formed in response to the reintroduction of state aid to non-government schools. Its honorary secretary Jean Wood attempted through the correspondence columns to present the case against state aid (see *Australian* 13 August 1965, *Bulletin* 2 October 1965). Although well-informed, its members were not in a position to mount sustained campaigns.

The turning point came with the formation of the Council for the Defence of Government Schools (DOGS), first in Bendigo (Victoria) and then in Sydney in 1969 by the amalgamation of existing public school lobby groups. DOGS' objects were to promote government school systems and the active and unqualified opposition to the use of public monies for non-government schools (Horton 1974, 272). Its formation was too late to affect the 1969 federal budget, the first to introduce per capita grants to non-government schools. Twelve seats were contested at the federal elections of that year, but support (averaging 4.5% of the primary vote) varied considerably with the outcome that its political impact was limited (Hogan 1978, 238-239). Hogan (1978, 239) claimed that DOGS and the Australia Party together made some inroads into the support for the Liberal Party, although by 1972 the DOGS vote in the five contested NSW electorates had fallen to 1.4%.

The greatest effect of the DOGS campaign was its targeting of events for demonstrations in favour of increased public school funding. Its impact can be measured by the interest taken in the state aid question by the Four Corners ABC TV program in July 1971 and by the sustained public attack on DOGS by Prime Minister Gorton at a Senate election rally at Rose Bay in November 1970 (*Australian*, 6 November 1970). The DOGS argument was that aid to non-government schools condemned children in the state school systems to an inferior education by fragmenting the school population, reducing subject options and levels in both government and non-government schools (*SMH*, 27 January 1971). By supplying politicians with evidence of teacher shortages, unfavourable pupil-teacher ratios and inadequate facilities, DOGS was able to influence both the lines and the content of the educational debate (Horton 1974, 281-282). By analysing the impact of library grants up until 1971, DOGS was able to show that greater amounts of Commonwealth money were being spent on Catholic schools catering for the middle classes rather than those on lower incomes (Horton 1974, 288). Rather than fostering equity, it was shown that Commonwealth aid institutionalised inequity

On the other side of the debate were the predominantly Catholic Association for Educational Freedom and the Australian Parents' Council. They matched the Australian Teachers' Federation and DOGS research and propaganda activities. In addition, two well-documented submissions were made at this time to the Senate Standing Committee on Education, Science and the Arts (Hogan 1978, 238). By 1972 most arguments for and against state aid to non-government schools had been well-rehearsed, although many of the arguments were characterised more by assertion than by reasoned and sustained argument.

3.9 CONCLUSIONS

The Menzies government, first through indirect assistance to denominational schools in the Australian Capital Territory and later through limited specific purpose programs, sought to address the problem of the under-resourcing of Australian schools in order to promote greater educational equity between schools in the government and non-government sectors and between states. The rationale for assistance was the advancement of national development and the promotion of economic growth. The intention was to facilitate a greater degree of equality with respect to educational facilities, most specifically science laboratories and equipment. The Gorton government's expansion into library funding was for essentially the same reasons. This rationale and intent, when accompanied by distributive political processes (Morgan 1992, 294) and made possible by buoyant economic conditions and substantial government majorities together with the full support of the Democratic Labor Party, meant that the majority of the electorate were prepared to set aside sectarian attitudes in favour of a belief that the measures were both socially just and conducive to national development.

Was Menzies a pragmatic opportunist or did he follow consistent principles? If pragmatism is understood as a principled aversion to formulating general principles (Rorty 1982, 160), Menzies was not a pragmatist. Instead, he was a principled opportunist. He clearly believed in the efficacy of education based on a religious world view. He also believed that the Commonwealth should assist struggling denominational schools whilst affirming the constitutional responsibilities of the states for education. His actions were entirely consistent with these principles. They also delivered electoral success with a minimum amount of community dissatisfaction.

Did his measures equalise educational facilities between sectors and between states? There is clear evidence (Interim Committee Report 1973, 43) that the grants tended to favour the independent non-government secondary schools rather than the poorly resourced Catholic parish schools. They also favoured non-government schools over state public

schools. Their scope was so limited so that equalisation was not really possible between sectors or between states. Pressures mounted for more far-reaching programs. Successive Coalition governments became more involved in funding chiefly in response to the electoral demand and in competition with promises made by other political parties. Funding initiatives were demand-driven and therefore attracted widespread acceptance.

Did aid lead to the feared sectarian divisions? The changed nature of Australian society produced a greater degree of tolerance than had been the case before World War 2. One reason for this was the upward social mobility of Catholics and the growing multicultural diversity of the Catholic population. Menzies showed an astute appreciation of this shift in social attitudes. Nevertheless, the foundation of the Council for the Defence of Government Schools in 1969 was the first real indication of an organised protest against Commonwealth aid to non-government schools.

Did aid lead to the growth of the non-government sector at the expense of public schools? The answer is clearly that it did not. The chief reason appears to be the financially weak position of the non-government sector which precluded expansion. The decade 1963-1972 was a period of rationalisation and consolidation. There was also the restraint of an underlying fear that acceptance of aid would lead to loss of independence through accountability requirements. The maintenance of the sectoral balance was a key factor in minimising political protest. The public sector teachers' unions were dissatisfied with any form of government funding for non-government schools where there were so many demonstrable inadequacies in the resources of government schools. Nevertheless, the improved student-teacher ratios and the increased employment opportunities for teachers reduced the level of their discontent.

The success of the science funding removed the inhibitions from both sides of politics with respect to both the constitutional implications of Commonwealth aid for education and state aid for non-government schools. By 1969 both major parties were in favour of substantial Commonwealth assistance. Although sectarianism was demonstrably a lesser force in Australian society than it was before World War 2, secularism was in the ascendant. After 1969, the growing opposition in the public school sector to further increases in aid to non-government schools (whilst Commonwealth governments, in their quest for efficient use of national resources, appeared to deal parsimoniously with the needy government sector) meant that future governments would need to explore new bases for political consensus. The use by the new Whitlam ALP government of a national inquiry to forge a national agreement and a new discourse regarding government funding is the subject of the next chapter.

THE NATIONAL INQUIRY INTO SCHOOLING: distributive politics under the Whitlam Government

4.1 INTRODUCTION

The McMahon Coalition government's term of office had been characterised by a transition from the cautious use of specific purpose capital grants for redressing widely recognised deficiencies in Australian schools to more ambitious universal recurrent funding. The rapid expansion of programs between 1968 and 1972 and the seemingly ad hoc approach to, and increasing momentum in, educational funding (shown in Table 4.1) reopened for the government earlier political debates which its Menzies predecessor had sought to avoid (Hogan 1978, 232-243). At issue was the proper role of the state and whether it could fulfil the pluralist model of society and power by being a relatively neutral arbiter at a time when, by means of public funding, it supported particular sectional interests (Dudley & Vidovich 1995, 36).

Governments were faced with two sets of choices. The first was whether, as a matter of principle, the Commonwealth should continue to fund non-government schooling at all. Embedded within this was the question of the propriety of the state aiding schools which are owned and managed by religious bodies. The crux of the argument was whether the separation of church and state under section 116 of the Australian Constitution had been breached by the reintroduction of state aid for church-owned and managed schools.

There was a widespread community acceptance of the principle of federal aid but a denial among public school supporters of the propriety of state aid to non-government schools. It was argued by the Australian Teachers Federation (ATF) that all Commonwealth government funding should be directed only to the public sector. Because of state aid for non-government schools, government schools were being deprived of \$208 million of federal aid at a time of growing enrolments, population movements and rapid inflation. Furthermore, state aid opponents advanced the normative argument that government schools were the only appropriate and effective educators for democratic citizenship in a plural society.

In contrast, non-government school supporters argued an alternative implication from pluralism: that a plurality of educational experiences and school providers was a necessary consequence of a truly plural society. As chapter 3 has shown, the Catholic argument for aid was based on a different conception of democracy where it was the right of all to share in the

resources of that society, both public and private. The anti-state aid argument that public schools were the only appropriate and effective educators of the democratic citizen was rebutted as an untested moral judgment which, when used normatively, was undemocratic. Non-government school supporters argued that the real issue was not whether the state should be the sole provider of schooling, but whether the national interest could be best served by Commonwealth funding for more equitable educational outcomes in all schools. Their call was for urgent intervention by the state to improve the educational opportunities for the majority of Australian children. These arguments met with growing sympathy as the public became more aware of the existing distributive injustices which allowed such an imbalance in the resources available per student between sectors (see Table 4.2). In the lead up to the 1972 elections, the Australian Teachers Federation gave unequivocal support to the Australian Labor Party and its needs-based policy as applied to government schools while still maintaining its principled opposition to any form of state aid to non-government schools.

Table 4.1
Commonwealth Funding Programs for Education
introduced by Liberal-Country Party Governments, 1951-1972

<i>Program</i>	<i>Year of inception</i>
Recurrent expenditure on universities	1951-1952
Capital expenditure on universities	1957-1958
Capital grants for technical education and science laboratories	1964-1965
Capital and recurrent grants for colleges of advanced education	1965-1966
Capital grants for teachers' colleges	1967-1968
Capital grants for pre-school teachers' colleges	1968-1969
Capital grants for secondary school libraries	1968-1969
Recurrent grants for non-government schools	1969-1970
Recurrent grants for child migrant education	1969-1970
Education research	1970-1971
Capital grants for government schools*	1971-1972
Recurrent grants for government schools	1973-1974
Capital grant for non-government schools*	1973-1974
Recurrent grants for teachers' colleges	1973-1974
Recurrent and capital grants for pre-schools	1973-1974
Recurrent grants for technical education	1973-1974

* Other than libraries and science laboratories, but including language education

Source: K E Beazley (1980) 'The Commonwealth Ministry of Education: An Experience in the Whitlam Government 1972-1975' in S Murray-Smith (ed), *Melbourne Studies in Education 1980*. Melbourne: Melbourne University Press.

Table 4.2
Expenditure in Non-government Schools, Australia 1972

	Catholic parochial schools \$m	Non- systemic Catholic schools \$m	Total Catholic schools \$m	Other non- government schools \$m	All non- government schools \$m
Recurrent expenditure -					
Teachers salaries	28	32	60	47	107
Ancillary staff	1	5	6	13	19
Other operating expenditure	3	15	28	13	41
Total	42	52	94	73	167
Capital expenditure	5	20	25	16	41
Total Recurrent and Capital	47	72	119	89	208
Expenditure per student	n/a	n/a	\$241.42	\$746.73	\$339.81

Source: Interim Committee Report (1973), *Schools in Australia*, Table 4.15 p.43.

Expenditure per student has been calculated using the 1972 school enrolments set out in Table 3.2 above. This information does not distinguish between different categories of Catholic schools.

As Marginson (1997, 25) has indicated, the alternatives were between modernising just the government schools, nationalising the private schools, or reintroducing state aid for private schools so that both public and private schools could be modernised. Each alternative had its own pitfalls. Modernising only government schools created serious equity problems in relation to under-resourced Catholic schools. Nationalising all non-government schools was guaranteed to generate a severe political backlash from powerful vested interests. On the other hand, state aid had a long history of provoking division. Whatever alternative a government adopted was likely to stir up community dissent.

The second choice confronting Commonwealth governments was the extent to which the state should intervene to promote social equality. The answer depended in part on which definition of equality was being used and also on the governing party's view of the proper function of the state. In practical terms, the issue was whether governments should guarantee equal base-line expenditure per student, or whether they should guarantee an equality of resources per student by providing additional or redistributing present resources, or whether they should make all institutions equivalent in positional terms (Marginson 1997, 41). These were the main resource allocation alternatives facing the Australian government. The challenge for both sides of politics in Australia was to find a rationale that commanded wide community acceptance so that political dissent would be minimised.

This chapter is concerned with the forging of a new educational settlement by the Australian Labor Party (ALP) Whitlam government between 1972 and 1975. Faced with unfulfilled community expectations about education and growing discord over the apparent inequities of the Liberal-Country Party federal aid program to non-government schools, the incoming ALP government sought a new basis for consensus around its own ideological position. Its solution was to use the time-honoured method of a national inquiry conducted by an independent committee of experts. It was expected that the findings of this public process would address the web of competing values, issues and logics in a non-political manner, thereby creating a new political consensus by recommending the adoption of a distributive political solution (Morgan 1992). The next chapter examines the role of the Commonwealth Schools Commission as the vehicle for implementation of the Interim Committee's needs-based approach. Together these two chapters reveal the extent to which ALP policies and programs were able to resolve the conflicts over educational funding.

4.2 EDUCATION AND PARTY POLITICS 1966-1972

4.2.1 The political, economic and social context

The context for this debate and the subsequent national inquiry was a community where the desire for upward social mobility had led many to see education as the door to success. Improved living standards allowed more parents to keep their children at school longer. Between 1956 and 1968 the proportion of fifteen year olds at school had risen from 46% to 78%, sixteen year olds from 22% to 48% and seventeen year olds from 8% to 25%. This, together with post-war immigration and increased birth rates, created the urgent need for facilities and resources for schools to meet the demand (Bennett 1982, 163). Against the background of rising levels of real personal incomes, consumer spending, an expectation of unlimited economic growth and consumption, and a prevailing ideology of development, modernisation and welfare liberalism, the two major political parties sought to provide distinctive education policies which had electoral appeal. In hindsight, Whitlam (1985, 291) considered that 'the most intense political debate in Australia during the 1960s was about education'. Since the storms over the place of religion in the NSW curriculum and the Goulburn school crisis of 1962, education had become newsworthy. Although the media often oversimplified issues, they also politicised them. Both sides of politics were alert to the electoral advantage of addressing these community concerns.

Added to this was the breakdown in Western countries during the 1960s of the social consensus. This impacted on the public domain because of the loss of many of the 'mediating structures' standing between the private sphere and the larger institutions of the public sphere (Berger 1977, 132, 173). The relativisation of meaning in an increasingly pluralist society, and

the consequent social dislocation, placed pressure on the ALP, first in opposition and after 1972 in government, to offer a comprehensive national vision and social policy to redress these deficiencies. As the general community demand for improvement in all forms of education peaked in the early 1970s, this vision and social policy had education at its centre.

Public expenditure patterns reveal the increasing pressure on state governments to find more funds from a narrow revenue base to meet the funding needs of schools. In 1963-64 state governments allocated \$389 million to schooling. By 1972-73 this had increased threefold to \$1203 million (Interim Committee Report 1973, 38). They also reveal the comparatively small contribution being made by federal grants (less than 8% of the total in 1972-73). This was at a time when Commonwealth revenue collection rose rapidly as inflation-fueled nominal wage increases caused bracket creep among taxpayers. It was clear that the federal government was vulnerable to further funding demands. It was equally apparent that state aid would be a contentious issue.

As state school supporters began to organise ways for lobbying federal politicians, some ALP leaders came to the conclusion that a more satisfactory basis for funding was needed in order to give their party the electoral advantage it so keenly sought. In the context of the increasing ideological diversity in Australian society, the political challenge was to find an objective basis for a more equitable funding program and suitable administrative mechanisms that were acceptable to both government and non-government school communities. The policy also had to be palatable to various factions within the party and to its range of supporting organisations, most notably the union movement. Its marketability depended on the extent of its justice, equity and service of the national interests. The challenge was to find the grounds for a political consensus which overcame the conflict arising from disparate values systems.

4.2.2 Australian Labor Party (ALP) policy

Before 1960 most Australian Labor politicians had shown little interest in education. Any reform of schooling was administrative rather than political in origin as individual bureaucrats brought back new ideas from Britain or the United States. Yet the Labor heritage from radical politics provided two streams of thought about education. The first drew on Richard Cobden and the English Chartists who, in 1847, had seen education as the means by which working people could improve themselves through personal enrichment and the acquisition of liberal culture to overcome the barriers of privilege. It was believed that the working class as a whole could gain a greater degree of *social equality* through education. An alternative view, developed by the London

Trades Council in the 1880s, was that all levels of education could be opened to all classes to provide *equality of opportunity* (Bennett 1982, 161).

After World War 2 the predominant Australian Labor view was a meritocratic version of the concept of equality of educational opportunity (Blackburn 1993, 176). The socialist hope for reduction or removal of class barriers was transformed into the individual quest for promotion to a higher social class on the basis of individual merit. A more equal society came to mean an equal chance for individuals in a society which remained unequal. Education provided all people with an equal prospect of social power but on the basis of competitive selection in which ability and effort (and chance) were combined. Positional competition and social selection were increasingly financed by the state and conducted in government owned institutions (Marginson 1997, 17 & 38-39). In this way democratic socialism became married to liberal capitalism and served to differentiate the ALP position from the elitist view of education held by the government. The mid-1960s saw the high point of faith in education's instrumental use to establish a society in which economic growth, national prosperity, increasing incomes, interesting jobs and a pleasant middle class life in suburbia would flow (Bennett 1982, 163-5). Marginson (1997, 16) has pointed to the growing emphasis during the 1960s and 1970 on the role of education to provide opportunities for social mobility and individual accumulation, and for individual choice in consumption, the 'quality of life' and identity.

The Democratic Labor Party (DLP), the breakaway Labor group with its roots in the Victorian Catholic Social Studies movement, subscribed to such a vision and was committed to state aid as the means of achieving it for its Catholic constituency. Many ALP leaders had been self-educated beyond the end of primary school and many were Catholics with no direct interest in government schools. By the 1960s that was beginning to change as leadership in the political party devolved increasingly to tertiary educated professionals such as Whitlam and a number of his ministers, who operated from a secular rather than a religious worldview. Nevertheless, all feared state aid as a divisive issue which was better left dormant (Bennett 1982, 162-3).

The world-wide trend in the late 1960s towards political dissent and cultural criticism fractured the post-war ideological consensus of development and brought about a critique of existing political and social systems. In the absence of a coherent socialist philosophy of education, the ALP was faced first with the problem of how to resolve internal differences over state aid. In this respect the ALP was more difficult to lead than the LCP Coalition. The ALP, like its English counterpart, is best viewed as a coalition of groups and individuals (Nichols 1994, xiv). The ALP has a direct relationship with semi-autonomous trade unions, upon which it relies heavily for support. Foremost among these are the teachers unions which are both numerically strong and possessing a well informed leadership. Consensus has to be reached first among the

various factions within the party before a political program can be taken to the electorate. The search for intra-party consensus is a regular feature of the ALP National Conferences.

The Menzies government's astute 1963 funding of private schools in exchange for DLP electoral preferences reawakened the state-aid debate and caught Labor unprepared because of the ideological divisions within the party. What particularly rankled social democrats was that government schools were so obviously under-resourced and stretched by the movement of the post-war baby boom generation into secondary education yet the Commonwealth had been lavishing funding on independent schools which were already better resourced. Moreover, Labor ideologues were unconvinced that natural rights arguments advanced by Catholics justified the economic claims being made against governments.

Labor was both reformist and centralist, in the sense of advocating federal action even with a loss in state sovereignty. In what Galligan (1989, 2) argues is a system with both levels of government operating in most policy areas, Maddox (1996, 167) has seen the balance between federal and state tiers as not fixed, rather a 'perpetual matter of contention'. At least some ALP parliamentarians were prepared to reassess Labor's past negative response to state aid in an attempt to challenge Liberal-Country Party dominance.

Realists, such as Gough Whitlam, saw that state aid was a fact of life with which the ALP would have to come to terms. In the wake of the May 1965 defeat of the Renshaw Labor government in NSW after an uninterrupted sixteen years in office, Whitlam launched an attack on the Federal Executive as 'an extremist group' which was 'neither representative nor responsible' (Tanner 1983, 50). There were four dimensions in Whitlam's thought. He shared with Menzies the liberal humanist belief in the value of education. Whereas Menzies believed post-compulsory education should be restricted to the able, Whitlam advocated its availability for all who wished to avail themselves of its benefits. In this he drew on the 'three great aims' of Labor, the promotion of equality, the involvement of the people in political decisions, and the liberation of the talents and the uplifting of the horizons of the Australian people (Whitlam 1972a, 5). For Whitlam, equality meant access for all citizens to high quality universal public services funded by increased taxation. He went further than any of his predecessors in believing that present educational provision could be funded out of the anticipated future economic growth. His was a European type of social democratic program predicated on annual economic growth.

Secondly, Whitlam accepted economic thinking, based on the underlying human capital theory (Schultz 1961, 1-17; Marginson 1993, 31-54), that education could be used as an instrument to promote this continued economic growth as well as being 'the key to equality'. This reformist instrumentalism was later modified to being 'a key to equality, but it is not *the* key'

(Beazley 1980, 21-22). Thirdly, Whitlam believed that an incoming ALP government must be a reformist government after twenty three years of Coalition administration. Education was clearly in need of reform. Some state governments appeared unable to put in place the measures and funding that was needed to effect improvement. This could only mean that an active educational role was required of the Commonwealth. Whitlam also had a dislike of 'ad hocery', as he called it. The measures of the McMahon government in particular were especially offensive to him (Beazley 1980, 1, 19). In the words of one of the authors of the Interim Committee report, the needs-based policies Whitlam forged 'represented a quantum leap in the development of national perspectives on education and in direct national funding for it' (Blackburn 1993, 168).

Finally, Whitlam had a strong belief that a pluralist political consensus could be forged by the use of the time-honoured public inquiry by an independent committee of experts who would also act as a continuing advisory commission. In this way, education could be maintained as an independent policy domain in which the criteria for policy decisions were principally educational rather than economic or political (Dudley & Vidovich 1995, 35). Such inquiries were accepted as non-partisan although, as will be shown, the outcomes were very much constrained by membership of the committee as well as by its terms of reference. Thus the Whitlam government, to avoid the growing dissent over Commonwealth aid for non-government schools, adopted a new paradigm for school funding which, by creating a needs basis, sought to be even-handed in funding schools (rather than families) according to individual school or school system resource levels. The dual objects were to depoliticise funding and to create greater social equity.

The uncertain direction of the Australian Labor Party can be judged by the May 1966 National Advisory Committee's decision to retain an anti-state aid stance, a position overturned by the Federal Conference later that year when Arthur Calwell changed his mind. The party then had to face the pragmatic problem of retaining federal aid while depoliticising the state-aid debate to achieve a consensus among its various factions. The formation in 1969 of the Council for the Defence of Government Schools (DOGS) by public school supporters led to further polarisation. It highlighted the difference between secularists and self-confessed Marxists, such as Senators Lionel Murphy and James McClelland, who were anti-state aid, and others such as Whitlam and Beazley, who saw that the ALP would not be elected to govern until it could win back Catholic voters from supporting the DLP. Whitlam and Beazley accordingly threw their support behind the new stance. The starting point for consensus was the egalitarian notion of *equality of condition* (Arneson 1995, 489) in which everyone could enjoy the same level of social and economic benefits. They believed that this concept was morally superior to the Liberal vision of *equality of citizenship*, which only safeguarded democratic freedom and ignored social and economic conditions.

The method for reconciling the two positions was provided by the Bennett and Matthews paper to the 1966 Special Federal ALP Conference on the state aid question. This argued that Labor would have to seek a policy solution, of improving both state government and Catholic schools, which would satisfy a majority on both sides of the state aid debate. The question of ownership of schools would be de-emphasised. Aid should concentrate and be seen to concentrate on meeting the greatest existing needs, that is the impoverished Catholic schools. Such funding should not undermine, or appear to undermine, the prestige and status of state schools. Rather, the Conference sought to strengthen state schools by inserting in its new policy statement a commitment to the primary obligation of maintaining government school systems at the highest standard. The basis for a new political consensus lay in the concept that all schools should be brought to the same standards. Such a simple concept gained support from all sections of the party as well as from the electorate. It was foundational to the Interim Committee report (Bennett 1982, 165-7). The appeal touched a chord with ALP members. Many wanted the Commonwealth to bring fresh initiatives and not to be caught in the net of nineteenth century prohibitions. Their views were well expressed by K E Beazley who recorded (1980, 3) that 'my own point of view was that the Commonwealth was coming into education as a new personality, and there was no reason why it should be bound by controversies which passionately interested people like Henry Parkes in 1879'.

The concept of a statutory advisory committee had its origin in the Victorian state branch of the ALP where between 1964 and 1967 a number of key ideas were developed. These included the revival of the Victorian Council of Public Education as a permanent advisory council, independent of government with the power to initiate or conduct inquiries, publish reports, report to Parliament, have a full-time chairman and secretariat as well as a part-time non-professional membership representing sections of the community, and power to establish specialist sub-committees (Tanner 1983, 53). There was little input from other states into the Federal ALP's 1969 decision to adopt this as the model for an Australian Schools Commission. It has been suggested that the idea appealed to party members because of their lack of contacts in the Commonwealth Education bureaucracy (Tanner 1983, 56).

Tanner highlights the role of Gough Whitlam in bringing together a collection of loosely related ideas, adding a few of his own and sharpening up others in order to convert the germ of a policy into a marketable form. However, he overstates the case for Whitlam's originality (Tanner 1983, 56-57). The Australian Universities Commission, first set up in 1943 under National Security Regulations by the Curtin ALP government (Tannock and Birch 1973, 165) and later given an expanded role by Menzies in response to the 1959 Murray Committee Report, was the inspiration for the Schools Commission. Section 96 special purpose grants to the states had been Menzies way of providing federal aid to education. Other dimensions of the eventual ALP

program were gleaned by Whitlam and Freudenberg during an overseas tour in 1969. The United States Head Start program provided the inspiration for positive discrimination in favour of disadvantaged children. The American federal to state funding model and the British Plowden Report's index of educational disadvantage based on a school's catchment area were also influential (Tanner 1983, 62).

Maddox (1996, 167-168) sees Whitlam's approach to the issue as 'a culmination of all Labor's policy on the matter since federation'. To allay states' fears, Whitlam in September 1971 explained the nature of the 'new Federalism' (a term he borrowed from US President Nixon but used to mean the opposite of Nixon's programs) he was advocating as

The ALP proposal envisages a framework of consultation and cooperation between the three tiers of government. The Commonwealth would have a greater share of administrative responsibility in those areas where increased government expenditure is required... Each of our three levels of government has functions which it is best able to perform. The key to effective performance is not domination but consultation, not centralism but coordination. (Whitlam 1971, 12, 17)

The resolution passed by the 28th Federal Conference of the ALP in Melbourne in 1969 stated

The Commonwealth to establish an Australian Schools Commission to examine and determine the needs of students in Government and Non-Government Primary, Secondary and Technical Schools and recommend grants which the Commonwealth should make to the States to assist in meeting the requirements of all school-age children on the basis of needs and priorities. In making recommendations for such grants to the States, the Commission shall have regard to -

- (i) the primary obligation of Governments to provide and maintain government school systems of the highest standard open to all children;
- (ii) the number of children enrolled in the various schools;
- (iii) the need to bring all schools up to acceptable standards;
- (iv) the need to ensure optimum use of resources in the establishment, maintenance and extension of schools. (ALP 1969, 197)

The policy made use of the Financial Assistance to States (s 96) provision of the Constitution, following the same path as Menzies had done when introducing science funding in 1963. Its emphasis on the primary obligation to government schools went some way towards meeting anti-state aid objections. The concerns about distributive justice were met by linking funding to enrolments. The requirement that all schools be brought up to 'acceptable standards' allowed significant funding to flow to poorly resourced government and Catholic schools. Finally, the demand for distributive justice and the optimal use of resources allowed for the intended removal of federal funding from 'wealthy' independent schools and its redirection to areas of expanding population.

Labor concern was with the extension of equality of educational opportunity to remove the barriers confronting the socially disadvantaged. This led to a demand within the party for

needs-based assistance for schools, regardless of school ownership. The principle of 'need' was adopted as the basis of educational funding at the 1969 Federal Conference. Despite this, those who opposed aid to church schools continued to argue that Labor policy was government schools first (Murphy, CPD, Senate 20 August 1969 pp.203-204). Many state Labor parliamentarians still opposed government funding of non-government schools (Beazley 1977, 97). Opposition Leader Gough Whitlam's 1972 ALP policy speech was delivered at Blacktown on 13 November 1972. It focused on the concepts of 'equality' versus 'privilege', the formation of an independent Australian Schools Commission which would decide educational expenditure by the Commonwealth on a consistent and regular basis, and a reformist educational platform. The role of the Schools Commission was to examine and determine the needs of students in government and non-government primary, secondary and technical schools and to promote equality using education as the instrument. It was designed to fulfil Whitlam's 1972 policy speech promise 'to keep the public informed and to keep the public involved in the public debate on the great national affairs and the great national decisions ...' (Whitlam 1972b, 5). This was to be achieved by setting up independent statutory bodies to take over many of the affairs of government, by the provision of more expert administration, by the extension of participatory democracy and by the promotion of more open government (Matthews and Fitzgerald 1975, 14). This platform constituted, in Smart's view, an 'assertive centralism' (Smart 1978, 105). In this way the Commonwealth government would be able to set the pace and direction of new programs in the educational field (Weller 1977, 49).

Karmel (1985, 280) has highlighted the range and scope of the Whitlam government's commitment to (1) provide pre-school education for every child; (2) establish an Australian Schools Commission to examine and determine the needs of students in government and non-government primary, secondary and technical schools; (3) review secondary and technical scholarships; (4) assume responsibility for co-ordinating and fully financing tertiary education, including teachers' colleges; (5) abolish tertiary education fees; (6) review and extend tertiary living allowances; (7) establish an open university and open institutes of tertiary education; (8) provide retraining schemes and allowances; (9) make grants to students for further education; (10) provide services to disadvantaged children, including Aboriginal, migrant, and mentally and physically handicapped children; (11) provide grants for educational accommodation and equipment. Such an ambitious program raised education to the second most important place amongst the functional areas of government. It led to the Interim Committee (Karmel) report on schools, the Kangan report on Technical and Further Education and the Coleman report on early childhood (Matthews & Fitzgerald 1975; see also Prasser 1985, Smart and Manning 1986).

As Connell and Irving (1980, 305) have observed: 'The policy of the Whitlam leadership essentially amounted to cleaning up the mess left by the long boom, financing the operation out

of the profits of further growth'. The method of addressing the problems of equality, extension of opportunity and depoliticising the state-aid debate was to remove the issues from the political to the administrative sphere by the expert Schools Commission which was able to forge a consensus, albeit an ambiguous one. In the final analysis, the ALP had to choose between two competing principles: opposition to government aid to religion, and the right of children to obtain a reasonable education irrespective of their parents. As Tanner observes: 'Ironically, the Schools Commission policy was not completely successful in resolving the State aid dispute' (Tanner 1983, 58).

In contrast, the Coalition platform was based on three fundamental values: a commitment to maintaining diversity and choice in education, a commitment to equality of opportunity, and the pursuit of excellence through merit-based schemes (Marsh 1977, 74). This amounted to the preservation of the non-government sector while providing a 'threshold' level of facilities for all students. The Coalition's opposition to centralist tendencies in Commonwealth-state relations had led it to reject a universal needs-based principle. Although there were sufficient grounds established by the 1969 Australian Education Council's needs survey for its bipartisan adoption, it was considered by the Coalition to be a state matter. This was in spite of the fact that financial relations between the Commonwealth and states had been on the public agenda since the 1969 ANZAAS Conference. As Groenewegen (1979, 54) has argued, the financial imbalance had been exacerbated by the Commonwealth's approach to funding Loan Council borrowings during the post-war period mainly from current Commonwealth revenue rather than from public loans. The states became more querulous as they became more indebted to the Commonwealth, as the annual Premiers' Conferences revealed. Whereas the ALP's 'New Federalism' dropped the traditional Labor centralism and afforded state and local government an important part in the federal structure under Commonwealth coordination (Maddox 1996, 166-8), the Liberals used the same expression to mean a return to the states of their responsibilities in matters such as education, though not always with the funding to enable their achievement.

A 1971 Liberal working party had suggested measures to overcome educational disadvantage by eliminating disparity of opportunity. It rejected the Labor concept of a needs-based approach which it saw as a thinly veiled intention to abolish state aid altogether (Marsh 1977, 80-81, 85-86). Out of this came the 1972 policy speech which promised nothing new to the schools sector, concentrating instead on ad hoc initiatives in pre-school education, technical education, isolated children's allowances, education of the physically and mentally handicapped, the provision of primary school libraries and a national school of business management. Unlike Labor, the Liberals had no provision for long-term planning which they regarded as a state responsibility (Smart 1978, 102).

While both parties were alive to the implications of equity in relation to individual needs and were prepared to link this to the question of national interest, neither party saw fit to address the relationship of pluralist diversity and the national interest. The question of whether common schooling is a prerequisite for effective citizenship was largely ignored, despite its use by government school teachers' unions in their campaign against aid to non-government schools. In an increasingly plural society, governments were slow to grapple with the concept that particular community groups might want to educate their children biculturally rather than in common schools.

Heightened community expectations regarding the importance of education, its resourcing, standards and accessibility can be measured by the willingness of the Australian Broadcasting Commission to stage a televised three-hour 'Great Education Debate' before the 1972 elections. This was the first inter-state face to face linkage of this type by the ABC. Its main issue was whether there should be a centralisation of education in the national interests with the Commonwealth having a coordinating role. In the event, the electorate was more open to Labor's promises than to the incumbent Coalition government's approach to this question. In part this was due to a sustained public awareness campaign by the public school teachers' unions in support of the principles contained in the Labor electoral policy, a factor in the ALP's electoral success which Prime Minister Whitlam recognised a little over a month after his election when he addressed the annual meeting of the Australian Teachers Federation to thank them for their support (ATF 1973).

4.3 THE INTERIM COMMITTEE REPORT

4.3.1 The Appointment of the Interim Committee

The centrepiece of the Whitlam government's attempt to depoliticise Commonwealth funding of schools was the use of a national inquiry to establish the foundations for a needs-based distributive policy. It is not surprising that on 12 December 1972, one week after assuming office, Prime Minister Whitlam with the assistance of soon to be appointed Education Minister Kim Beazley established an interim committee under the chairmanship of Professor Peter Karmel. It was made up of ten ministerial appointees, who were mainstream educators or administrators and experts in an area of education and/or economics. A balance of representation was struck between states and between government and non-government schools, with individuals being appointed on the strength of their personal expertise, not their institutional affiliation. Weller (1977, 54-55) has drawn attention to the fact that no organisations involved in education had been asked to make nominations or even to give advice. This mechanism for choosing the membership of the Interim Committee, by overlooking those with the expertise in planning and management of school systems, worked against the government's intention to depoliticise

Commonwealth funding. Not only were special interest groups aggrieved by not being given a voice, so too were educationists from a number of the state education departments (Swan 1994).

The positive benefits of the Labor government's actions were identified by Smart (1977, 36) who considered that the government's insistence that the Interim Committee and members of the Schools Commission were to be ministerial, rather than pressure group, nominees spared the reports of conflicting interests. It also meant that, since members were not formal representatives of any interest group, they did not have to report back, nor need they feel obligated to express the views of a particular group. In this way, the committee was preserved from outside interference or obstruction. Bennett (1982, 171) has drawn attention to the reformist tendencies among Interim Committee members in that six of the ten were drawn from the more educationally progressive states of Victoria and South Australia. Smart and Manning (1986, 207) have demonstrated that there was a preponderance of public servants and academics on the committee with two from the non-government sector and one with a union background. None was from business, industry or agriculture.

Peter Karmel, the committee's chairman, had extensive experience as an economist, as an academic and as a tertiary administrator. He had previously served on the Martin and Vernon inquiries. Concurrently he was chairman of the Universities Commission and had chaired the 1969 inquiry into education in South Australia. His views on the critical role education plays in economic development by enhancing production were well known from public lectures delivered in 1962 and 1966 (Connell 1993, 71-72). In his 1962 Buntine Oration, Karmel (1962, 4-5) had stated 'I believe that democracy implies making educational opportunities as equal as possible and that the working of democracy depends on increasing the number of citizens with the capacity for clear and informed thought on political and social issues'. He was well qualified to steer the Interim Committee towards a unanimous document which would legitimate Labor's education policy while at the same time achieving the goal of neutralising or depoliticising criticisms of funding of non-government schools (Johnston 1983, 17). The Deputy Chair, Jean Blackburn, had previously worked with Karmel on the 1969 South Australian inquiry and was appointed at Karmel's request. From New South Wales came Dr G Hancock, Education Department statistician, and M E Thomas, the state's expert on special education. Victorians E T Jackson, from the Education Department, and Father F M Martin, from the Catholic Education Office, were included. While Queensland, Tasmania and the Territories had no representatives, South Australia, in addition to Karmel and Blackburn, also had A N Jones (Director of Education), Alice Whitely (from the non-government sector), and W A White, (President of the Australian Teachers' Federation). Professor Peter Tannock, who had a commitment to Catholic and Aboriginal education, came from the University of Western Australia.

Connell (1993, 70-73) has drawn attention to certain untested assumptions in Karmel's approach which were to have a significant bearing on the ALP funding program. These were the belief that, by increasing expenditure on education, a government could increase productivity. This assumption was to be tested by the economic downturn following the escalation of oil prices in 1973. The second was the assumption that economic aims and practices were closely coupled with educational aims, curricula, and methods. This only happened in a limited way during the Whitlam government's term of office. Educationists strenuously resisted being tied to economic outcomes and students and their parents looked for more immediate utilitarian personal pay offs (in the form of better jobs) from schooling and higher education. The former begged the question of which caused which: economic development or improved education? (A relationship explored at some length in Harrold 1987, chapters 2 & 5). The latter begged the question of what sort of education was best designed to increase employment prospects: a liberal humanist general education or a more specific vocational training? Behind both lay T W Schultz's (1961) human capital theory.

The Interim Committee's terms of reference had been drawn up by K.N. Jones, who was soon to become the head of the Commonwealth education department. They included the examination of primary and secondary education to determine needs, priorities and appropriate measures to meet these needs; to work towards acceptable standards in providing for all; to promote the economic use of resources; and to recommend grants for the calendar years 1974 and 1975 which were to supplement existing Commonwealth commitments and not be a substitute for continuing effort on the part of recipients (Interim Committee Report, *Schools in Australia*, 3). The committee was asked to complete its report by May 1973 in time for the June State Premiers' Conference and the August Commonwealth budget.

Dudley and Vidovich (1995, 36-39), in their analysis of the workings of the committee of inquiry model of policy making, have drawn attention to its operations as corresponding to Lindblom's model of partisan mutual adjustment in which certain interests and constituencies are privileged. Despite the process being open and consultative and approximating the rational model of policy making, it is neither apolitical nor without flaws. Furthermore, the chair of the committee is in a position of considerable potential power by being able to impose his own ideological perspectives on the committee's focus, deliberations, conclusions and recommendations. It is contended that Karmel's perspective is clearly imprinted on the Interim Committee's report and that his unexamined assumptions gave rise to the flaws in the School Commission framework which were to lead to its eventual replacement. These were not immediately apparent because the committee was able to legitimise its measurement of the extent of inequality by demonstrating, mainly from Australian Education Council findings, the factual basis for remediation of need. The assumptions were that needs could be simply redressed by

targeted funding and that improvement in outcomes would automatically flow from the provision of increased resources. The matter was further complicated by rising community expectations.

Karmel (1985, 281) records that the emphasis of the committee's work and that of the Schools Commission was on resources as inputs into education. Although the Labor platform was that it should determine the *needs of students*, the focus of the Interim Committee was with the *needs of schools*. The role of the committee was to construct the terms of a new social democratic settlement. The emphasis on the needs of schools had some unfortunate consequences. Beazley (1980, 35) maintained that the concern of the Whitlam ALP government was to provide equality of opportunity for *children* to overcome deprivation as a consequence of parental choice of schools. By choosing to concentrate on *schools* rather than children, it is clear that the Interim Committee's emphasis was not primarily about extending parental choice. Its focus was on resource inputs into schools, and not about the educational outcomes of the education process.

Johnston (1983, 22) has pointed out that the Interim Committee's task was to bring together parent bodies, teacher organisations, federal and state policy makers and administrators, and private and public school systems. A consensus had to be forged by introducing a complex set of concepts, appeals and justifications. The ambiguities within the report were not accidental. In Johnson's view, its success lay in its potential for different interpretations and in its capacity to become a vehicle for pleasing a range of interest groups. The basis of the appeal lay not so much in the philosophical rationale that Johnston analyses as in the promise of major increases in grants to most schools. The Interim Committee report provided the justification for a Commonwealth program of far-reaching distributive politics (Morgan 1992, 294), designed to depoliticise Commonwealth funding by even-handedly meeting the needs of government and non-government sectors alike.

4.3.2 The Interim Committee's report

The report, *Schools in Australia* (IC 1973), was based on visits to 143 of the 9500 schools in Australia and on 124 submissions in response to newspaper advertisements. The committee also held discussions with state Directors-General and representatives of government and non-government schools, and national teacher and parent organisations. A questionnaire was circulated to the educational authorities in the six states and two territories, the twenty-seven Catholic dioceses and to independent schools. The questionnaire was the main source of data for the assessment of school needs (IC 1973, 1.9-1.13, 5ff). It set up the first national database of resource levels in schools. It found that resource levels in government schools had not kept pace

with either Australia's standard of living or the proportion of gross domestic product spent on schools in other countries of comparable wealth (Blackburn 1993, 171).

A fundamental consideration was the difficulty in establishing criteria for and measurement of maintenance of effort to meet the terms of reference that Commonwealth funding should not be a substitute for continuing effort by recipients in the non-government sector. The Interim Committee interpreted that this should mean income from a school's own resources, including contributed services, should rise in proportion to the average Australian income. It recognised that in Catholic schools the proportion of contributed services from religious teachers was likely to decline and that salaries of replacement lay teachers were likely to rise, if not in the short term, then certainly in the longer (IC 1973, 1.22, 8-9).

The report also explored the two contentious issues of equality in relation to diversity, and equality of opportunity. Having stated that it favoured less centralised control over schooling and the devolution of responsibility for its provision to the providers in consultation with the parents (a concession to the claims of teachers' organisations - see IC 1973, 2.4-2.6, 10-11), the committee addressed the question of equality. As Johnston showed (1983, 23-24) a series of logics runs through this part of the report. The compensatory logic argued that all young people should be able to participate effectively in society. Some groups and schools are disadvantaged because of the circumstances in which they find themselves. To redress this, they should receive a greater than average share of resources (IC 1973, 2.7, 11). From 1973 to 1977 this led to a concentration on increasing the resource standards of schools in general with a positive discrimination in favour of those most in need (D'Cruz and Sheehan 1978, 5). Criticisms have been made of this practice of so-called 'reverse discrimination' by Crittenden (1978, 225-233), because of the lack of theoretical clarity in the report. The practical difficulty of targeting the most needy individual recipients gives rise to the moral problem of violating the ideals of freedom and justice by blatant social engineering when, instead of individuals, 'disadvantaged' groups (in this case, schools) are selected for favoured treatment, while other 'advantaged' groups are discriminated against. However, such a distinction was permitted together with the provision of funding on a scale never before contemplated in order to allay any community discord about state aid. It was the sheer scale of the proposed funding that allowed the Interim Committee to forge a coalition of interests through which political consensus could be achieved. Its permanence was dependent upon ever expanding rates of funding to meet community expectations.

Alongside this is the 'equality of respect' logic. *Schools in Australia* (IC 1973, 3.27, 24) argues that the valuing of people should be based in their common humanity. Equality of opportunity is giving assistance to every child 'in developing a variety of socially desirable

attributes which might both afford him personal satisfaction and contribute to an improved quality of community and cultural life'. However, elsewhere in the report (e.g. IC 1973, 2.10) instrumental criteria and utilitarian arguments predominate (Crittenden 1978, 238-239). Recognition is given to the reappearance of progressive, child-centred ideologies in the discussion on diversity (IC 1973, 2.10-2.11, 11-12). Its attitude to non-government schools is spelt out in its favouring 'diversity in means' which may be found in 'new schools radically different in sponsorship and educational approach from those presently existing'. No doubt it had in mind the progressive schools which had recently been opened; it could hardly have foreseen or intended the way in which this opened the possibility for religiously-restrictive fundamentalist Christian schools. As a concession to existing non-government schools, it stated that 'It also values the degree of diversity already represented in the existence of non-government schools', but went on to advocate diversity in organisational forms, school-community relationships and in the timing of educational experience (IC 1973, 2.11, 12).

The report also valued the right of parents to educate their children outside government schools and the high standard which some non-government schools had reached. However, because of differences in standards and limited available funds, it argued for 'deferring the eligibility for extensive support of schools presently having very high standards until others have been raised nearer to them'. The language was carefully chosen so as not to alienate an identifiable group. It went on to state that it did not accept the right of parents who chose such high resource schools to public assistance to facilitate their choice (IC 1973, 2.12, 12). Because the focus was on schools and their resources and not on students and their families' financial means, the equity issue with respect to individual parents was avoided.

The implication of the report for the possible expansion of the non-government sector was made clear when it warned of uncoordinated expansion of private schools which would lead to wasteful duplication of resources. By saying this, government school interest group fears would be allayed. Further discouragements were given to the possible proponents of new non-government schools in the report's affirmation that the strength and representativeness of the public sector should not be diluted and its warning that increased accountability would be required with the receipt of Commonwealth aid (IC 1973, 2.13-2.14, 12-13). This logic was carefully crafted in order to create a new coalition of interests which excluded very few. Its equity implications reveal serious shortcomings which governments have never been able to address satisfactorily despite various attempts at refinement of the original Karmel proposals. None have been willing to adopt a system of educational funding which would appear to target individual families rather than the administratively more convenient method of targeting schools.

Later in the report another equality logic emerges, which Johnston (1983, 23) calls 'the pluralist versus mainstream culture logic'. It argued that whilst Australia is a pluralist society, some children are trapped in a culture of poverty and may lack fundamental skills to enter the mainstream culture. It is necessary, in the view of the report, to provide special assistance to such children in schools they attend (IC 1973, 9.4, 92).

Obvious tensions exist in these logics and contentions: the valuing cultural diversity, yet calling for special assistance to allow the disadvantaged to enter the mainstream culture; the ambiguity of the means-ends distinctions introduced in the report; the valuing of non-government schools and the encouragement of their development where this produces diversity, yet the unwillingness to allow sectoral relationships to alter; and the affirmation of parental right of choice, yet the discrimination against aid to parents choosing highly-resourced schools as best for their children. D'Cruz and Sheehan (1978, 6) saw the fundamental weakness of the report in this way:

Faced with discontent in the community about the quality of education in Australian schools, it is only sensible to rapidly increase the resources available to schools only if one has reason to believe that the additional resources will be devoted to achieving certain specified and quality-oriented goals in schools. It is hard to see how the Commission could have had such reasons without attempting to articulate, and obtain some community consensus about, the educational goals to which the program was directed. And in its latest [1978] report, when the stress is substantially on participatory decision-making processes, the Commission regularly retreats from substantive issues about the content and practice of education to the form of the decision-making process.

Further tensions exist in the report's handling of the question of community participation. As already noted the report (IC 1973, 2.4, 10) argued for the devolution of responsibility. Sections 2.15 to 2.20 argue for community involvement. Section 9.18 takes up the same theme as a way of overcoming the alienation of schools in poorer areas. It is argued that community involvement will increase effectiveness of learning and motivation (IC 1973, 3.19 & 3.20, p.22 and 5.6, p.49). In any case, it is argued, today's educated citizens have a right to be involved in education (IC 1973, 2.18, 13). The prospect of such a radical change of relationships in schools required a measure of reassurance for the states as providers of school education (IC 1973, 2.2 & 2.3, 10), for the professional administrators (IC 1973, 2.4 & 2.5, 10-11), and the teachers in the schools (IC 1973, 2.6, 11 & 2.19, 13-14).

As Johnston's analysis showed (1983, 28), much of this was never described in a substantive concrete manner. On the issue of the relationship of the community to schools, the implications for practice were not clarified, nor were questions of the relationships between government and non-government schools in joint planning and shared facilities for improved educational provision. It was left to later Schools Commission reports to give substance to these

statements, to translate the theory into administrative practice, or to resile from such a concept altogether.

Within this framework the report addressed the problems of defining needs and setting priorities. Its approach was school-based rather than by assessing the needs of individuals. From the available data it was able to offer a needs assessment along two dimensions: (1) inputs of resources to schools and school systems, and (2) the degree of disadvantage of groups of pupils in particular schools (5.10, 49-50). It recognised but made no move to overcome the limitations of these as a measure of quality of inputs and the relationship to outcomes. Fiscal capacity of parents to contribute to the education of their children, whether in government or non-government schools, was ignored.

In establishing priorities the committee opted for a multi-program approach (5.22, 52), where seven types of grants would be given, namely (a) general recurrent resources, (b) general buildings, (c) primary and secondary libraries, (d) disadvantaged schools, (e) special education, (f) teacher development, and (g) innovation (5.28, 53).

It is contended that the underlying success of the Whitlam Labor government in removing Commonwealth aid to non-government schools from the realm of political debate had more to do with the large increases in public funding to all sectors of education than in the adoption of the recommended needs policy of the Interim Committee. The Committee advocated the allocation of \$660.1 million in funds for 1974 and 1975, a sixfold increase on the Commonwealth's previous year's commitment (Smart 1978, 109). Another \$36 million was needed to meet continuing commitments under the 1972 States Grants (Schools) Act to fund non-government schools buildings, libraries and science laboratories. In addition \$26 million was allocated to the schools dental service and \$9 million to migrant education. The report set a resource improvement target to be reached by all schools by 1979. It required a 40% improvement over the 1972 resource levels prevailing in government primary schools and a 30% increase over the current public secondary school resource levels. Funds recommended for 1974 and 1975 would take resources one third of the way to the 1979 targets (Blackburn 1993, 171).

It is true that the needs policy developed by the Interim Committee satisfied many of the ALP Left who argued for social justice. Intra-party disagreement was therefore minimised as such a wide spectrum of opinions were embraced by the carefully crafted discussion of the report. However, it was by concentrating on providing more inputs for all levels of education that most in the government sector were satisfied. Initially, criticisms were therefore isolated to those with a firm ideological commitment to the principle of public funding only for government sector. Experience between 1969 and 1972 had shown that these were mainly involved in the Council

for the Defence of Government Schools (DOGS) and that they had limited support (Hogan 1978, 239). It was only in mid 1975, as the rate of increase of funding slowed, that state aid became a contentious matter again when the share of Commonwealth funding became critical for each school sector.

4.3.3 Implications of distributive consensus politics

The wide distribution of resources proposed by the Interim Committee was a classic democratic solution to the political problem of achieving community consensus. The allocation of resources to all on a needs basis with the objective of improving the resource level of all Australian schools was productive of a win-win situation for all interest groups. This use of distributive politics was effective in overcoming most community dissatisfaction over the state aid question. The potential gains for those ideologically opposed to state aid was too great to be sacrificed by taking a stand on principle and refusing it. The proposed distributive mechanism through the Section 96 States Grants provisions meant that only independent non-government schools could clearly identify this funding. They were only likely to object when funding was tied in such a way as to impose accountability requirements which could be construed as threatening their independence. This was not the case with Schools Commission funding. Government schools received their share of recurrent Commonwealth grants along with their state funding allocation so that Commonwealth funds were not readily discernible. Systemic non-government schools received theirs through system allocations along with state and church funding. The long-term success of this distributive program relied on the Commonwealth government's financial capacity to meet community expectations.

Political dissent was substantially reduced during 1974. Conflict was preempted by the apparent fairness of the distributive mechanism and the adequacy of funds. The carefully crafted discourse contributed to the general level of mutual non-interference predicated by Lowi as an outcome of distributive politics (Morgan 1992, 289-306).

The flaws in this form of distributive politics were, firstly, that it was predicated on continued economic growth for government to have the capacity to meet its obligations. Secondly, because the Interim Committee recommendations did not specify the precise level of resources which were required to produce the intended educational outcomes (also unspecified), the Interim Committee report created a political consensus based on the need to increase funding allocations to meet ever-expanding community expectations about the desirable level of educational resources. Accordingly, consensus was sustainable only while the rate of economic growth was maintained. Depoliticisation was at risk once economic growth faltered, as it did by 1975.

4.4 ESTABLISHING THE SCHOOLS COMMISSION

4.4.1 The Schools Commission Bill and political concessions

The process of legislative implementation of the Interim Committee's recommendations has been well documented by Weller (1977). The twelve month delay between the Whitlam government coming to office and the passage of the Schools Commission Act caused considerable concern in the non-government sector. Representatives of non-government schools had become anxious about the security of funding arrangements during the 1972 election campaign, which the McMahon government had sought to allay by the 1972 States Grants (Schools) Act which ensured the continuation of per capita funding and special purpose grants until such time as the act was repealed. After the elections while Labor Caucus was electing the ministry, the fortnight long duumvir rule of Whitlam and his deputy, Lance Barnard, during which time the Interim Committee was constituted, did little to allay suspicions about the unorthodoxy of what Bolton (1989, 215) has described as Whitlam's proconsular style. The May 1973 recommendations from the Interim Committee that non-government schools be categorised and that funding for the most highly resourced schools be phased out (IC 1973, 6.50, 71-72) caused further disquiet throughout the non-government sector. The differentiation of schools by categorisation into eight groups according to current resource use underlay this issue. The problem was further exacerbated by different levels of state assistance to non-government schools (Beazley 1980, 40).

Differences of opinion have arisen over whether during the 1972 election campaign, ALP leader Gough Whitlam had promised that no school would get less funding than it did at the time. Whitlam was later to disclaim such a promise and to petulantly brush aside Beazley's reminder with the rejoinder that his Education Minister 'was not the keeper of his conscience' (Beazley 1980, 41). Beazley believed it was an undertaking and should be honoured. To this end, he informed Peter Karmel of his concern (Beazley 1980, 30). One can only conclude that, in Whitlam's view, intra-party consensus was important for the legislative passage of the Schools Commission Bill. A general election promise of this nature must also be weighed against the political debt owed to the Australian Teachers Federation, whose financial support and electioneering had made the 1972 Labor victory possible. The ire of the small group of 'wealthy' non-government schools which would lose out may well have been regarded as a small sacrifice for the 'greater common good'.

The extent to which the report had created consensus within the ALP can be seen in cabinet's early endorsement (on 12 June 1973) of the report with the relatively minor amendments that the creation of regional boards be left in abeyance and that grants to highly-resourced Category A schools be ended immediately. The latter was a result of a move initiated

by the anti-state aid lobby of Senators J McClelland, L. Murphy and J. Wheeldon. Smart (1978, 109) brands this as a 'tactically naive decision'. In Smart's view, it was an ideologically-driven determination by a small group of secularists within the Labor government to satisfy their urge to hit out against the perceived elitism of the better resourced non-government schools. It was politically naive because it failed to take into account the inner dynamics of the Catholic Church where a struggle was going on between the middle class dominated Australian Parents' Council (APC), with its allies in the ranks of the Australian Association for Educational Freedom (AEF) and among the non-metropolitan bishops on the one hand, and on the other the metropolitan archbishops and their Federation of Parents' and Friends' Associations. To emerge as the dominant force in Catholic education, the APC had established very strong links with the independent school peak body, the National Council of Independent Schools and had adopted a strong research base and lobbying techniques. The APC also had strong links with B A Santamaria of the National Civic Council and through it to the Democratic Labor Party (Hogan 1978, 209-210).

Non-government school representatives were aghast at the attack on the Category A schools. Then followed a period of intense lobbying of members of non-Labor parties in the senate followed by a variety of pressure groups. State governments also expressed concern about the tied nature of grants and the potential threat this posed to their autonomy (Smart 1978, 110-112).

The delay in drafting the Schools Commission Bill, despite the government's desire to expedite it, appears to have been caused in large part by the sheer weight of reformist legislation the government was attempting to push through in 1973, as well as by the complexities of the new States Grants (Schools) Bill which the government decided should be introduced in tandem with the Schools Commission Bill. Although the latter was passed without amendment by the House of Representatives at the end of September, it was delayed again by the slower passage of the States Grants (Schools) Bill before both could be introduced into the Senate, where the government was in the minority (Weller 1977, 60-61, 66).

In the meantime, interest groups had ample time to focus their criticisms and to work out strategies. Some, like the Australian Council of State School Organisations (ACSSO), began in April 1973 by requesting the right to nominate a member to the permanent Schools Commission. When refused, it asked to be able to forward a panel of names from which one would be selected. No commitment was forthcoming from the government. The ACSSO position changed to total support (with the Australian Teachers Federation [ATF]) for the legislation when it became aware of the private school lobbying of opposition senators for amendments to the Schools Commission Bill. The changing ACSSO strategies, together with the relentless petitions, letters

and public demonstrations, appear to have confused, rather than convinced, senators regarding the appropriate course of action (see CPD, Senate, 20 November 1973, 1916-1918). The Executive Officer responsible for the campaign was Mrs. Susan Ryan, who in the Hawke Labor government was the minister responsible for commissioning the 1985 Connors report *Planning and Funding Policies for New Non-Government Schools*. This campaign did foreshadow the likely division, and repoliticisation of Commonwealth funding policy, that would be introduced into the Schools Commission when the Fraser government appointed commissioners who more directly represented that government school constituency (see Chapter 6 below).

The non-government schools were no more successful than any other group in attempting to shape the legislation. Their protests and requests were ignored. They were informed, rather than consulted. Their role was therefore a reactive one. Weller (1977, 59) attributes this to the fact that interest groups were geared to interact with state bureaucracies, rather than federal. As a consequence, the Commonwealth Department of Education was relatively free from direct pressure just as it had been under the previous Liberal-Country Party governments. The reformist government was too determined to push its policy through to brook any amendments or to appear to be making concessions to a particular interest group. Behind this lay two factors. The first was the belief that depoliticisation was likely to produce community consensus. The first stage of depoliticisation had been achieved by the independent Interim Committee report. The government was merely legislating to put these recommendations into effect. The second stage would be the administrative function of the independent Schools Commission (see Chapter 5). The time for representations had been during the Interim Committee enquiry stage, not in the parliamentary phase. The second factor, as already argued, was that the election of the Whitlam government was dependent upon the strong political and financial support of the ATF and its affiliates. Added to this, the ATF had recently established a Canberra office which was able to lobby government more effectively than other state-based school organisations. The terms of reference of the Interim Committee which stated that the government's primary obligation was to provide and maintain government school systems (reiterated in Schools Commission 1975b, 1.3, p.3), was a clear acknowledgment of its obligation to its supporters from that sector. Intra-party stability demanded that this principle be honoured.

In the face of this, the strategy of some leaders of the non-government sector, notably the Headmasters' Conference Schools, was to create a climate of fear within the sector; fear that the cuts which category A schools were to suffer would become the inevitable lot of others as government funding lifted their resource levels to the 1979 targets. Herein lay their propaganda success. Category H Catholic parish schools were prepared to lend support to Category A Protestant independent schools. In fact, Catholic bishops in August 1973 issued a statement that non-government school grants should be handed back to the Treasury and divided equally

between Protestants, Catholics and Jews (Beazley 1980, 32), such was the extent to which they were prepared to go to achieve solidarity within the non-government sector. The threat of removing funding did more than anything else to weld disparate parts of the non-government sector together. It also revealed just how narrowly specialised were some of the educational pressure groups.

During the parliamentary stages of the Schools Commission legislation, the non-government schools, along with other interest groups, kept pressure on the members of both houses. Ultimately because of the pairing of the two bills, the government's tactic of being unwilling to accept Senate amendments to the Schools Commission Bill (regarding the membership of the commission) which threatened the passage of the States Grants (Schools) Bill, was sufficient to rouse public pressure for the passage of the Schools Commission legislation. Poor parochial schools, faced by the prospect of no Commonwealth funding at the start of 1974, anxiously clamoured for a political settlement. The compromise was worked out first by representatives of the non-government sector and the Country Party members of parliament and then was negotiated with the Labor government. Support would be given to the Schools Commission Bill in its original form in the Senate if the government maintained grants to all non-government schools. In addition the Country Party, under the influence of the Catholic Australian Parents Council, negotiated a further interpolation based on Article 18.4 of the 1966 United Nations *International Covenant on Civil and Political Rights* which provides for freedom to impart religion and belief to one's children. The form it took was expressed in 13(3b) of the Schools Commission Act which recognised 'the prior right of parents to choose whether their children are educated at a government or non-government school'. This clause, which was not part of the 1969 ALP platform, sat rather oddly with the Act's 'prime commitment' to establishing public schools of the highest quality (Blackburn 1993, 173). The clause later became an important determinant of the Fraser administration's school funding policy.

The government acquiesced to these amendments and both bills passed and received Royal Assent on 19 December 1973 (Weller 1977, 67). The dramatic increase in the funding levels for 1974 (\$794 million, up from \$112 in 1972 [Beazley 1980, 42]) were sufficient to mute criticisms from the government sector. The compromise with the Country Party left Category A to D schools better off than either the Interim Committee report or the government had proposed (see Table 4.3).

Table 4.3
Commonwealth Funding Per Student by Categories of
Non-government Schools, 1974

Category	Karmel Report		Government proposal		Ultimate agreement	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
	\$	\$	\$	\$	\$	\$
A	40	65	Nil	Nil	55	85
B	45	65	45	65	60	90
C	60	90	60	90	65	95
D	70	100	70	100	70	102
E	75	110	75	110	75	110
F	80	120	80	120	80	120
G	85	130	85	130	85	130
H	90	140	90	140	90	140

Source: K E Beazley (1980) 'The Commonwealth Ministry of Education: An Experience in the Whitlam Government 1972-1975' in S Murray-Smith (ed), *Melbourne Studies in Education 1980*. Melbourne: Melbourne University Press, 41.

The extent to which the electorate came to accept the role and function of the Schools Commission can be seen in the fact that when the Fraser Coalition government came to power two years later, it did not seek to repeal the Schools Commission Act. As Kim Beazley wryly observed in 1980, 'there must be some kind of consensus now as to its ability to function' (Beazley 1980, 33).

4.4.2 Appointing the Schools Commission

Weller (1977, 69) has traced the genesis of the Schools Commission from a small secretariat set up in December 1972, through the main proposal for staff sent to the Public Service Board on 27 October 1973 and approved on 2 November 1973 before the bill had been passed. The positions were initially part of the Department of Education until the commission came into independent existence. Procedures had also been set in motion to establish advisory committees and boards of Catholic schools, meetings had been held with Catholic hierarchies and with state Treasuries. Before assent was given to the bill, bookkeeping procedures and building standards for schools had been prepared.

The members of the commission were appointed by the Minister. The successful parliamentary campaign of avoiding Country Party and Democratic Labor Party amendments

which, according to the minister K.E. Beazley, would have created 'A sanhedrin of pressure groups' (CPD, H of R, 11 October 1973, 2021-2024, 2036-2039), opened the opportunity for a commission composed of representatives of a range of opinions, expertise and political loyalties and drawn from each Australian state, but appointed by the Minister and not by the recipients of federal funding.

The chairman of the commission was Dr Ken McKinnon, a former director of education in Papua-New Guinea. Like Peter Karmel, he had begun his career in South Australia. (Why Karmel was not appointed as chairman has never been explained.) McKinnon's educational philosophy (see Mortensen 1985, 132-140) was broadly in sympathy with that of the Whitlam government (a reason for his later replacement by the Fraser government [see Freeland and Sharp 1981, 77]). Smart (1978, 126) considers McKinnon to have been over-optimistic about the opportunity and capacity of the Schools Commission when in an address to the 1974 Australian Teachers Federation Annual Conference he had said:

Once in a generation, more only in exceptionally fortunate circumstances, an opportunity occurs for major change in education. Such an opportunity has been created with the establishment of the Schools Commission, a national body publicly committed by the Schools Commission Act to investigating and recommending action to meet national needs in education in Australia.
(McKinnon 1974)

McKinnon's later (1982) discussion of the policies and politics in the Schools Commission as a statutory body offers a much more restrained view of the commission's achievements than this 1974 address heralded. It would appear that McKinnon entered his term of office bright in the expectation that social change was to be wrought by his efforts. Under his chairmanship the commission met once every four to six weeks, alternately in and out of Canberra. As chairman, because of no external operating rules, McKinnon was able to frame the agenda (McKinnon 1982, 139). Decisions on policy matters were by consensus.

Of the members of the Interim Committee, Jean Blackburn, Greg Hancock, A.W. Jones, F.M. Martin and Peter Tannock continued to serve on the commission, thereby giving a measure of continuity (and strong representation, in Martin and Tannock, of Catholic interests). They were joined by Ray Costello, who was an office bearer of the Australian Teachers Federation, Joan Kirner, who was an office bearer in the Victorian state schools parent organisation, Peter Moyes from the independent sector, Tony McNamara and Desmond Wood. The commission had a balance from across the states. Educational expertise came from David Bennett, a former school teacher who had become Chief Research Officer with the Australian Council for Educational Research. Blackburn and Jones came from planning and administrative or economic backgrounds in education. In some respects Kirner's and Costello's appointments could be viewed as paybacks for the use of the DOGS' vote in Whitlam's struggle for power between 1969 and 1972 and the

support of the ATF in the 1972 election campaign (see Hogan 1978, 237-241). As McKinnon (1982, 138) observed:

The concerns of most major interest groups are discernible within the range of members appointed, but the members themselves have apparently been appointed for their personal attributes, rather than the position they hold in particular organisations. Several of the members appointed by the Labor government were re-appointed for second terms by the Liberal-Country Party Government.

On the surface one may be led to conclude that, although the membership of the commission was appointed by a reformist Labor government, it was not inimical to either the Catholic or non-Catholic parts of the non-government sector. Smart has claimed the appointments ended (at least for a time) the state aid wrangle. 'By placing the recommendations for funding all schools - state and private - in the hands of an expert commission which works on the criterion of "assessed need", the Whitlam government replaced community conflict with a new consensus' (Smart 1978, 127). Yet, if account is taken of the fact (Selby Smith 1978, 148-149) that one of the newly-appointed members of the commission, Mrs. Joan Kirner, was during 1974 a plaintiff in a case before the courts which challenged the constitutional rights of the Commonwealth to provide financial support for any religious non-government school, one might not be inclined to be quite as sanguine. Added to this was the continuing personal opposition to state aid amongst senior Labor senators and a perception fostered by the Australian Teachers Federation that state schools were being overlooked while wealthy private schools were being funded. That they were not supported by more dissentient voices from the government sector is largely a product of community satisfaction with the Whitlam reforms and the magnitude of the Schools Commission funding for state government schools. A large measure of consensus was achieved, despite the indications of potential future conflict. Its origins lay in the generous distributive program recommended by the Interim Committee and adopted by the government from which most schools stood to gain. Funding decisions were further depoliticised by removing them from the political sphere and placing them under the administrative control of the Schools Commission with its criteria of need.

4.5 CONCLUSION

Since the pluralist model of society and power assumes that the state is a relatively neutral arbiter of political and ideological conflict, the Whitlam government on assuming office set about removing government from ideological conflict over state aid by establishing a new national political consensus. The previous ad hoc approach to school funding was to be replaced by a coordinated approach firmly based on quantified needs and with the objective of overcoming demonstrable inequities between and within school systems. The chosen mechanism was the tried and accepted method of an independent committee of inquiry. This policy 'simultaneously

addressed both the clamour for public school improvement and the financial crisis which the Catholic sector was battling'. It transformed the sectarian issue of school funding into a class issue of social justice in overcoming educational disadvantage in poorer public and Catholic schools. Such a measure was able to unite the various factions within the ALP (Blackburn 1993, 170).

The policies and method adopted by the Whitlam government of setting up an independent inquiry were less inconsistent with the practice of its Menzies predecessor than contemporary ALP supporters imagined. As Beilharz (1994, 95) concludes, the Whitlam project was bold and patrician, with too much superstructure and not enough base. The Whitlam days were heady days for the left, but even Whitlam was later to acknowledge that his government did not really know what it was doing and failed to convince the public about its public sector initiatives, despite their continuity with the past (Whitlam 1985, 744). Nevertheless, the Interim Committee report revealed a careful blending of themes and use of discourse which would be productive of internal consensus among sections of the Australian Labor Party. In turn this would form the basis of a new coalition of education stakeholders to replace the coalition which formed at the time of the nineteenth century liberal democratic education settlements but which had been ruptured by the reintroduction of state aid. Federal assistance to the states for school funding was also seen to be in the national interest and productive of economic growth.

The success of this path depended largely on the government's capacity to meet the cost of the expanded funding regime recommended by the Interim Committee in order to address the needs of previously under-resourced schools. The projected increase in Commonwealth assistance went a long way to mollify or disarm the criticisms of those who were still philosophically opposed to state aid for non-government schools, among them Marxist members of the ALP (such as Senator J McClelland) and members of the Australian Teachers Federation. Nevertheless, there were others who saw the issue as involving issues of pluralism and the breakdown of the social consensus who were wary of a solution which was based on assumptions which failed to address normative issues raised by the increasingly pluralist nature of society. In addition, conservatives who wished to maintain the independence of certain types of non-government schools were also reluctant to become part of the new Karmel settlement. For them, acceptance of plurality meant acceptance of structural pluralism in the funding of schools and all that might entail.

The serious flaws which existed in the assumptions used by the committee did not spare the government the political tussle needed to bring down legislation to give effect to the recommendations. However, the inquiry process did give the government the appearance of impartiality in the face of considerable uncertainty and anguish over the longer term implications

of the suggested measures. The concessions made in the parliament, particularly the introduction of section 13 (3b) recognising the prior right of parents to choose in the context of increasing pluralism and lack of social consensus, meant that Whitlam's election claim that 'the Australian Labor Party will build into the administration of the affairs of this nation machinery that will prevent any government, Labor or Liberal, from ever again cloaking your affairs under excessive and needless secrecy' (Whitlam 1972b, 8) was only partially fulfilled, as Chapters 5 & 6 will show. On balance, the Whitlam government's form of distributive politics was to a significant extent successful in depoliticising the state aid debate.

There still remained the task of depoliticising the administration of funding and the overcoming of at least some of the objections raised in response to the Interim Committee's report. The next chapter explores this theme by examining the implementation instrument, that of an independent statutory authority in the form of the Australian Schools Commission.