

INTRODUCTION

1.1 THE RESEARCH PROBLEM

For a century and a half Australian schools have been run by both state and non-state authorities. In the nineteenth century, the often turbulent relationships between these authorities were managed by colonial governments. In the first half of the twentieth century, this development and adjudication role was played by state governments.

From the 1960s, when the Commonwealth government sought to intervene in school education in the states, it too became entangled in these frequently turbulent relationships. The Commonwealth's intervention was through the 'power of the purse'. Lacking Constitutional authority, the Commonwealth used its superior financial resources to develop and influence policies on schools in the states. Thus contentions over the relative support of government and non-government schools centred on financial subventions.

This thesis traces the efforts of successive Commonwealth governments to influence school education through its funding policies. It focuses on the means by which allocational programs were decided, funding mechanisms were chosen, and the processes of issue emergence, authorisation, implementation and administration were developed.

A major focus of these efforts is on the funding policies for government and non-government schools, that is debates over 'state aid', and the major means by which successive governments sought to manage conflict over the issue.

Perennial themes include:

- the implications for policymaking of an increasingly diverse Australian society;
- the range of often competing ideological approaches (for example social engineering versus freedom, choice and competition; social justice and equity versus efficiency);
- Commonwealth-state relations;
- the availability of budgeted funding;
- the impact of public sector management reforms;
- the roles of industrial and other pressure groups.

An underlying theme is the continuing attempt to manage political conflict.

In the final chapter consideration will be given to the nature and feasibility of current suggestions to break down the sharp divisions between government and non-government schooling, and the significance of these proposals for future management of conflict between proponents of these two school types will be examined.

1.2 THE THESIS

This work argues that no single paradigm is capable of explaining the complex political processes in the Commonwealth funding of non-government schools over the last thirty-five years. A corollary of social pluralism in Australia has been the increasing ideological diversity. It is contended that the Menzies government, through limited specific purpose programs, and the Whitlam government, through a broad series of programs based on an elaborate discourse which synthesised a number of competing logics, attempted in the national interest to depoliticise Commonwealth funding of non-government schools to achieve greater social equity. Subsequent governments have found that there is no one political or social theory or discourse to which they could appeal to unify the plurality of viewpoints or to transcend the particularism of sectional interests. It is also argued that it has been the pragmatic use of the political process and its attendant administrative mechanisms by governments which has sublimated discord and allowed each successive government to promote its own vision of a just society while at the same time seeking its own political advantage and the relatively efficient use of limited national resources. It is demonstrated that each of the solutions has not survived, without modification, the inaugurating government's tenure of office. Finally, this work examines a number of possible alternatives for the future.

The starting point is the number of antecedents to the Commonwealth's assumption of responsibility for funding schools with a view to lifting their resource levels and improving the standard of national education. From this emerge three fundamental questions which are foundational for this study: What should be the nature and purpose of schooling? Who should provide this schooling? and Who should fund this provision? These in turn beg an even more fundamental question: What sort of society is it that these schools are expected to serve? Such questions are value-laden and have received a diverse range of answers which have reflected the diverse political, economic, social, cultural and religious views of the heterogeneous Australian population. Furthermore, Australian society has never been static in its composition. The dynamic and far reaching changes since the Second World War have led to the widespread acceptance that Australia, like most Western industrialised nations, has a society comprised of a plurality of peoples and is committed to a form of pluralism generally referred to as

multiculturalism. What this means for policy formulation and implementation has been the subject of debate. Yet there is a general view that the function of government is to address the tensions associated with competing ideologies and to set in place policies which serve the national interest. How national interest has been defined and how educational funding policy has been thought to advance this is the subject matter of the study.

The particular focus of public funding of private endeavour has been chosen because of the current interest in small government and the privatisation of much of what had previously been accepted as an essential function of government. Non-government school funding offers a case study in the policy processes which has parallels, if not common components, with other areas of governmental funding activity. A more detailed understanding of the one aids informed decision making in the others.

1.3 THE ISSUES

Three fundamental questions have been noted. As governments have attempted to develop policies to answer these, certain tensions have come to the fore. Two of these arise from political ideology: (1) whether common public schooling is a pre-requisite for effective democratic participation by a nation's citizens; and (2) whether it is consistent and equitable in a pluralist society to promote policies which recognise and value cultural diversity and the need for varied forms of educational experience to sustain this diversity without funding the schools in which this educational experience is to be gained. Another set of tensions arise from the practical issue of whether it is possible on the one hand for governments to hold in tension an ideological commitment to cultural pluralism, to markets being free without undue hindrance from government regulation, and to international competitiveness, while at the same time being committed to equity, to social justice and to continuing government provision of particular services. Successive Australian governments have responded differently to these questions.

The specific issues that underlie these tensions may be grouped under four main headings (see Appendix 1). The first group are those affecting Australia's *national interest*. These include the role of government in fostering technological development, economic competitiveness and economic efficiency; the extent to which government should use their powers to redistribute wealth to produce greater equality; the implications of pluralism, cultural diversity and social harmony for policy making; and the respective roles of the public and private sector, particularly in the provision of schooling. The second group involve *constitutional and legal* questions such as states rights; the role of the Commonwealth; the meaning of the separation of church and state; the use of legislative and administrative procedures for effecting government policy; the role of

government in introducing market solutions to economic and social problems and in establishing mechanisms to promote economic competitiveness; and the extent to which interest groups can and should influence government in Australian democracy. The third group are concerned with *social justice*. These question the extent of government responsibility for the provision of social amenity and welfare; the access of all Australians to education; the access of all to an education with similar resources and outcomes; and the question of inter-generational equity involved in the transfer of the costs of government programs to the future. The final group deal with *personal rights* such as the extent of the freedom of individuals to choose according to wants, desires and preferences; the extent to which the public purse can be expected to fund such choice; the extent to which governments can be expected to maximise individual utility; and the obligation of the state to meet individual needs. Each of these will be dealt with as they arise in subsequent chapters. An attempt will also be made to relate them to the prevailing philosophies.

1.4 METHODOLOGY

1.4.1 Theoretical considerations

In analysing public policy, the investigator is faced with the complexity of the modern state in its structure and operation. In Australia this is further complicated by the division of powers between state and Commonwealth parliaments. As the discussion of Chapter 2 shows, the Constitution makes no mention of education, leaving it as a residual power of the various state governments with the Commonwealth having responsibility for educational provision in the Australian Capital Territory and the Northern Territory. The relative fiscal strength of the Commonwealth government since the 1942 uniform taxation legislation has meant that it has assumed funding functions not envisaged by the Constitution but none the less necessary to meet rising public expectations for welfare and other services. The financing of privately-provided schooling is one of these areas of Commonwealth involvement.

All government activity, including framing and implementing education funding policy, involves participants who are not necessarily visible or identifiable and whose views are not on public record. Not only is policy a product of party ideology, it is also the fruit of negotiation between those with rival interests, much of this being carried out away from the public arena. Governments increasingly rely on the services of specialist advisers as well as on government departmental submissions in the framing of policy. Professional lobbyists have emerged in the last twenty years in Australia as a potent force in policy-making (Marsh 1983). New policies have to be legitimised in the eyes of the electorate, involving significant use of the media. A particular

initiative is always achieved at the expense of other policy options, other programs forgone and other interest groups left unsatisfied or perhaps dissatisfied.

The task of the analyst is to tease out the strands and to set them in their appropriate contexts, while recognising that the most that can be achieved is a plausible interpretation (Ham & Hill 1984, ix). Yet, as Harrold (1987, 22) notes, the problem faced by the investigator of governmental decision-making is that the antecedents to any one policy are so numerous and their interactions so complex that any explanation will be partial. Moreover, the nature of the explanation will be heavily influenced by the metaphors and research methodology used.

As Ham & Hill (1984, ix) observe, any two policy analysts working in the same field are unlikely to arrive at exactly the same explanation or even agree on one version of certain events. This is due in part to the particular focus of the study and in part to the methodology adopted from the diverse range now available to the social scientist. This methodological pluralism does not necessarily make one explanation superior to another, only different in its treatment of evidence, its emphases on significance and the conclusions it draws. Different approaches will lead to the selection of particular methodologies and associated paradigms, the selection of certain factors from among the many as the key ones in the explanatory process, and will result in different questions being asked and answers sought. Howlett and Ramesh (1995, 18-19) point out that if all the nuanced variations are considered, there is almost an infinite variety of theories. Some believe that political science can and should be rigorously scientific. Their approach is theory driven and their method deductive as evidence is processed through the screens of explanatory paradigms as hypotheses are tested (see for example Junor 1991, Sharp 1986 & 1991). Others are more eclectic, using the deductive method to give direction to the search without necessarily being committed to rigid paradigms (see for example Harrold 1987). At the other end of the spectrum are those who see policy analysis more as an art than a science. Using inductive methodology, they seek to tease out the many strands of the political process in order to provide an analysis of all the key contributory factors in political decisions (see for example Barcan 1988 & 1993). Many studies lie between the pure deductive or inductive approaches.

Croft (1990, 67) has argued the inappropriateness of the positivist theory of policy in explaining the full range of variables involved in government educational policy-making. This is not to say that the six traditional theoretical models (namely rationality, satisficing, incremental, iterative, optimal rational, and uncertainty absorbing), despite their limited ability to interpret an area of complex policy such as educational funding, cannot provide useful insights to the analyst. Allison (1971) demonstrated this with respect to the limitations of the classical rational actor model in foreign policy analysis. Hogwood and Gunn (1984, 5) suggest an appropriate model is the contingent approach which recognises the resource limitations which preclude in-depth

analysis of **all** issues and political factors. Heclo (1972) also reminds us that a policy can consist in what is not being done, as well as what is. He argues that policy should include unintended results as well as the intended ones. Hawker, Smith & Weller (1979,11) carry this notion further in arguing that politics has its own essential logic as a consequence of the five major influences that shape public policy - social and economic conditions, prevailing ideas, institutions and individuals, technical and analytical procedures, and general theories about the way policy is made. Policy formation is a process shaped both by the deliberate and by the unintentional, without necessary cohesion even though individuals may have behaved rationally. They also point out that power should be recognised to be unevenly dispersed, authority is fragmented and policy-making is uncertain, complex and intermittent.

A tendency of the inductive approach is to view each policy decision as totally unique and therefore of little use for prediction or for guidance in future decisions. Most researchers are more comfortable in adopting an intermediate position where positivist theoretical models are used to give insight into the process, without allowing the outcomes of the analysis to be totally constrained by any one model. At the same time the analytic tools of a range of other disciplines (such as legal, economic, historical and sociological studies) are used in making judgements after puzzling out the processes and limits of the state, and assessing the relative influence on outcomes of politicians, bureaucrats, interest groups, organised structures and economic forces (Davis, Wanna, Warhurst and Weller 1988, 7-8).

The postmodernist, Marxist and feminist critiques raise further issues for the intending investigator (see for example Ball 1990b, Beilharz 1994 and Yeatman 1990). By what criteria is a particular approach judged appropriate with respect to certain evidence? What unrecognised or unexpressed assumptions underlie such a choice? What is the basic frame of reference of the analyst? What undisclosed values orientation drives the analysis? In what ways is language used as an instrument to reify political hegemony or social control? Is a comprehensive and widely acceptable meta-narrative possible in a post-modern nation-state? Mounting criticism suggests that the present explanatory paradigm drawn from economic rationalist discourse does not have a wide level of community acceptance because of its limited focus on what education is essentially about (Marginson 1993; Pusey 1991).

Despite these caveats, policy analysts since Lasswell's seminal work in 1956 have sought identifiable stages in the policy process. Lasswell discovered seven. Brewer (1974) extended the consideration of factors and clarified the terminology to arrive at six stages. Others, using the logic of applied problem solving, have defined five stages of the policy cycle (see Figure 1.1). Howlett and Ramesh (1995, 11-15) acknowledge the strengths of this framework because it allows the complex process to be broken into a limited number of stages and because it permits

examination of the roles of all actors and institutions. Nevertheless, they argue for an improved model because of the inherent disadvantages of assuming that policy makers go about problem solving in a systematic and linear fashion, completing each step before moving on, and because of the model's limited ability to explain causation. They advocate deeper questions to capture the complexity of the subject matter, whether the pursuit of self-interest by individuals or the ideas, beliefs and discourse of groups and institutions which enable or constrain the freedom to act and limit the range of choice open to actors.

Figure 1.1

Five Stages of the Policy Cycle and their Relationship to Applied Problem-Solving

<i>Phases of Applied Problem-Solving</i>	<i>Stages in the Policy Cycle</i>
1. Problem Recognition	1. Agenda-Setting
2. Proposal of Solution	2. Policy Formulation
3. Choice of Solution	3. Decision-Making
4. Putting Solution into Effect	4. Policy Implementation
5. Monitoring Results	5. Policy Evaluation

Source: M Howlett & M Ramesh (1995), *Studying Public Policy: Policy Cycles and Policy Subsystems*. Toronto: Oxford University Press, page 11.

The multi-faceted approach to policy cycles and policy subsystems of Howlett and Ramesh is to be preferred to the composite model adopted by Browning (1997) because of the complexity of actors and institutions, the diverse array of policy instruments and the level of state involvement they permit, and the increasing complexity of organisation of the state and society. The multi-faceted approach also permits due account to be given to non-demand and support factors involved in agenda setting, particularly in the policy sub-systems and networks; the decision-making styles of those in power in both government and administration; the question of political risk and constraints on state activity; and the capacity and propensity of government to learn from feedback. No one model provides a satisfactory framework for discussion of as complex and ever-changing an issue as government funding policy over a span of forty years.

1.4.2 Political patterns in selective funding programs

A helpful schema has been developed by Morgan (1992, 289-306). Using the typology of Lowi (1964), he showed that there are three types of political process involved in the funding of

quality improvement programs in university education in the United States. It is contended that these have explanatory power when applied to the funding of improved standards in school education in Australia in the period under consideration. Morgan's three types are: *distributive*, *regulatory* and *redistributive* (see Figure 1.2). Distributive processes involve the allocation of additional funding to underwrite or subsidise quality improvement programs. Regulatory processes are used in response to demands for funding allocations in excess of government's fiscal capacity and so competitive or administrative mechanisms are devised to select those that will benefit from the available funding. Redistributive processes are used to reallocate limited funding to what are judged to be more worthy recipients.

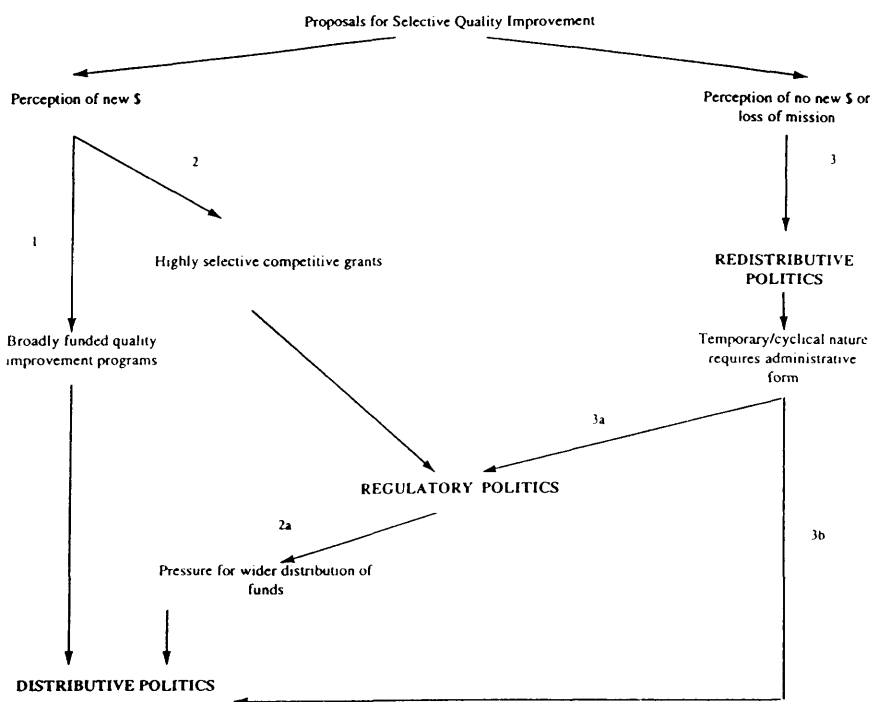


Figure 1.2
Political Patterns in Selective Funding Programs

Source: A Morgan (1992), 'The Politics and Policies of Selective Funding: The Case of State-level Quality Incentives' in *The Review of Higher Education*, 15 (3), Spring, 294.

Distributive politics are the classic democratic means of allocating resources among contending interests. The wide distribution of resources to allow fair shares produces a win-win outcome for all parties even when arguments arise over the merit of each case. Political conflict is reduced by what Lowi terms 'mutual non-interference' and stability is achieved while sufficient funding is available and the distributive mechanism appears to allocate it fairly. It will be argued that this was clearly the case in Australia in 1973 and 1974 under the Whitlam government. This distributive consensus began to show signs of wear when the increases in funding levels were not

able to be maintained in 1975/1976. Such a pathway was not possible without major resource allocations away from other Commonwealth programs and the social justice issues attendant on that type of redistribution.

In contrast, the succeeding Fraser government was faced by a choice between two difficult alternatives. It is argued that this choice was independent of any policy position the government might adopt, although which of the alternatives was chosen was determined by policy-driven preferences. One alternative was to embrace *regulatory* measures to distribute resources selectively. This could be achieved by means of restrictive guidelines on the Schools Commission's avenues of response. It could also be imposed by means of tightened eligibility criteria and/or maintenance of effort requirements on recipients. The inherent problem with this approach is that it is difficult to arrive at, and to maintain, a broad-based consensus because of the adversarial nature of the process of selecting winners and losers. Regulatory politics (pathway 2, Figure 1.4) are inherently unstable and invariably lead to calls for increased funding to fund all interest groups, thereby requiring a return to distributive solutions (pathway 2A). Only when the initial cuts produce a sufficient surplus to meet the later demands for increased universal funding can the government hope to achieve its objectives of containing overall expenditure. The other alternative is to put up with the electoral implications of continuing disaffection among certain community groups that regulatory politics engenders. This political state is difficult to maintain because of the short duration of the Australian electoral cycle. The longer cycle of English politics enabled the Thatcher government to impose regulatory reform (see Lawton 1994, 46-105).

The other alternative was to adopt *redistributive* measures where no new or alternative resources are made available and where existing resources are directed towards recipients deemed to be more worthy than others. The political decisions are taken away from the administrative sphere and are centralised in political elites because they are by nature so divisive. The issues attract widespread public attention and are cyclical with short-lived periods of attention followed by periods of stability. Debates over redistributive politics are highly ideological and tend to move redistribution towards regulatory administrative solutions (pathway 3A) or, by demanding additional funding, towards distributive politics (pathway 3B).

The Morgan/Lowi model suggests that any government will have difficulty in sustaining a system of selective rewards over time. Maintaining widespread political consensus is therefore difficult, the more so when government itself represents a coalition of interests or groups as is the case with both sides of Australian politics. The only long-term solution to this problem is to distribute resources more broadly to create more stability through consensus. If this is not possible, regulative measures are generally less contentious than redistributive programs.

1.4.3 The methodological approach adopted in this study

The study is an historical analysis of a political process in its contemporary context. Its centre of attention is how successive Australian governments from Menzies to Howard have responded to, and have sought to manage the issues associated with public funding of privately provided schooling. D H Fischer (1970, xv) has argued that 'The logic of historical thought ... is a process of *adductive* [as opposed to *inductive* and *deductive*] reasoning in the simple sense of adducing answers to specific questions, so that a satisfactory 'fit' is obtained'. This study addresses a series of questions to the documentary evidence in the public domain regarding non-government school funding. Using the methodology and the tools of a number of disciplines, including philosophy, political science, economics, sociology and cultural studies as well as those of historical inquiry, it seeks to build a cumulative picture and to increase the level of present understanding. It will subject to critical assessment various past explanations of government policy and it will point to the inadequacy of some readings of the responses of non-government school providers.

The justification for an adductive approach is that neither induction (arguing from the particular to the general) nor deduction (arguing from the general to the particular on the basis of certain premises) is able to do full justice to over forty years of political process involving four changes of government. With each change of government it will be demonstrated there has been a change of approach as a different combination of issues has come to the forefront in the political debate. With each change of approach there have been new elements of choice and new administrative procedures with their particular compliance requirements. There has been a shift in the relative importance of the various non-government providers, particularly with the emergence of new Christian groups and the recent development of Islamic schools.

Furthermore, the adoption of a particular deductive model appears inappropriate in a case such as this where there has been no closure, where further change appears likely and where numbers of the participants in the political process still appear unhappy about the equity of present or possible future provisions. Adduction, to be helpful as an investigative technique, requires no closure in an ongoing process. Another justification for the use of this particular method is the need to understand the principles and activities of participants in the political process from the point of view of the individuals themselves at the time, that is to engage in an empathetic understanding, rather than reading back into their minds subsequent rationales or the analyses of others. The adductive historical method also prevents the facile assumption that the effect of a policy is necessarily caused by that policy and that alone. Nor does it allow a determinist reading that the past has intentionally produced, or necessarily must have resulted in, the present.

Others have advanced a number of explanatory paradigms to account for Commonwealth school funding policies (the most recent being Marginson 1993, 1997a & 1997b; Dudley and Vidovich 1995). Some are limited by when they were undertaken or by their methodologies, and many fail to account for the differentiated responses of the providers. Since Commonwealth funding of schools is an ongoing process, it is necessary to revisit the political process from time to time to pose new questions in order to improve past understanding in the light of subsequent policy directions and changes and continual refinements in administrative procedures. With these considerations in mind, the task then is to consider the range of possibilities on the basis of the evidence in such a way as to allow the data to speak for themselves. As Tuchman (1982, 248) reminds us this is a difficult task because the subject of our study, human beings, are 'illogical and so crammed with an unlimited number of variables that it is not susceptible of the scientific method or of systematising'. The historian cannot pick and choose facts; all the evidence must be accounted for. To choose an explanatory system is to prefer the evidence which supports the system. Such a system Tuchman visualised (1982, 255) as being like an iron chain mat used to smooth a ploughed field. In contrast, and to continue the metaphor, Fischer's (1970, xv) adductive reasoning process allows questions to be asked until all the contours are discerned and then explanation may proceed. The explanation will not necessarily lead to a systematic pattern. It may result in a description of a complex and seemingly disorderly terrain.

This study therefore seeks to provide a detailed analysis of the specific policy process involved in the public funding of non-government schools by the Commonwealth, as well as of the beliefs and actions of its participants and its administration. As well as using historical analysis of written sources, interviews with key figures in the political and administrative process are of undoubted value for a true picture of the process. Because of the thirty year release rule on official government documents, most of the official unpublished record of the funding process remains inaccessible to the researcher (Mortensen 1987, 9). In addition, published documents do not always give explicit indications of underlying or implicit factors. Unofficial networks and the activity of many lobbyists go unreported by the media and therefore unnoticed by the public, but not by the agents of change (see Hogan 1978 for an extensive investigation of Catholic Archbishop Carroll's influence). The relationship of the program departments to their clients is known chiefly by the participants. These all provide good reasons for the use of the interview technique to elicit insights.

However, the need for this is considerably lessened by the fact that some participants in the educational funding process for non-government schools have subsequently 'gone public', after their term of official service ended. Admittedly this has often been to justify their own controversial role in the process (for example Whitlam 1985) or the particular policy that was advocated or the way it was administered (for example McKinnon 1982 & 1984). The

introduction of these personal recollections into the public domain, which allows debate and critical appraisal, has provided the researcher with a level of verification that individual personal recollections by interview does not always afford. The extent of media interest in the subject of education and the extent of their coverage of most issues by extensive interviews with major stakeholders has meant that there is a rich source of material for analysis. The quality and extent of the public relations activities of most of the participant organisations and lobby groups in an area of public policy that is highly contested has meant that the media presents a reasonably clear and accurate picture of the inner dynamic of educational policy making. This is in contrast to some other areas of government policy, where the program delivery and client relationship is much closer and less open to public scrutiny. As a consequence of these considerations, this study has relied predominantly on published material, supplemented where necessary by participant comment from the public or semi-public domain.

1.4.4 The value stance and approach of the researcher

The author has a background in historical research and economic and political analysis. He is in agreement with Rein (1983) that the idea that analysis can be scientific, dispassionate and value-neutral is a myth because of the inevitability that research is influenced by the beliefs and assumptions of the researcher. For this reason, a value-critical stance has been adopted wherever possible. However, it should be noted that the author, who is currently Assistant Director of School Education with Anglican Youth and Education in the Diocese of Sydney, is sympathetic to the argument that in a pluralist society there is a rightful place for a variety of educational providers who have, as a matter of social justice, a right to a level of public funding. It is recognised that what that level ought to be is contested terrain and subject to the political process. The writer's participation in the process since 1967 has provided formal and informal contact with a large number of people within the non-government sector and, as a result, an insight into their reactions, opinions and actions.

The approach that has been adopted is chronological, beginning with the tentative steps of the Menzies government in providing indirect and direct assistance through the Gorton, McMahon, Whitlam, Fraser, Hawke, Keating and Howard governments' attempts at using Commonwealth funding to achieve specific political, economic and social goals. In each chapter the focus is on the political management of values conflicts in order to depoliticise funding.

This study cannot claim to be exhaustive since the field of inquiry is broad and the participants are numerous, particularly when it is considered that many of the participants have only a tangential interest in educational finance as such. Where some 13% to 16% of total public financial outlays (Harrold 1988, 26) and 5% of GDP (Burke 1996) are directed to education,

many stand to benefit from changes in the amount allocated or the way in which it is allocated. Nor is this work comprehensive in the sense of taking into account all factors. It does, however, seek to identify and analyse the main ideological and political forces as well as show the motivation and roles of many of the significant participants in the political process. As part of this, it offers an appraisal of many of the received interpretations of these events. It also seeks to highlight the weaknesses of the various political settlements and the absence of an acceptable formula which will provide satisfaction for all interest groups, where someone's gain will always be someone else's perceived or real loss.

1.5 TERMINOLOGY

1.5.1 Types of schools in Australia

Much of the literature relating to schooling in Australia uses the terms 'public' and 'private' to designate schools in the government and non-government sectors respectively. This study has preferred to use the terms 'government' to refer to schools owned and operated by state and territory governments and predominantly funded by the Commonwealth and the state or territory in question. The terms 'state' or 'public' are used as synonyms where the repetition of the word government in the text would detract from its fluency. 'Non-government' is used of schools owned and managed by other organisations which have relied since 1963 on a measure of Commonwealth and state or territory funding. Non-government schools are also characterised by a significant level of private contributions in the form of fees or services. These schools differ from government schools in their control over student intake and their freedom to develop their own value system (Angus 1997, 141). The term 'private' is used occasionally to designate these schools as distinct from state or public schools.

The non-government sector is made up chiefly of Catholic schools organised into diocesan systems. Other systems of schools exist, most notably Christian Community Schools, Christian Parent Controlled Schools, Anglican schools (in some states), Lutheran schools (in some states) and Seventh Day Adventist schools. Apart from these, numerous schools are independently managed. Some of these are Catholic, Anglican and Lutheran. This presents certain identification problems. In general, the expression 'systemic' school has been used to refer to schools belonging to a particular church-operated system. The term 'non-Catholic non-government schools' has been used to refer to the non-systemic schools which belong to the Association of Independent Schools in each state, even though there are some which are owned and operated by religious orders belonging to the Catholic church. At times 'independent' is used

as a synonym for these. When distinctions between school operators is crucial for the meaning of the text, terminological precision has been employed.

1.5.2 Defining 'equity' and 'pluralism'

The terms 'equity' and 'pluralism' are used in a variety of ways by participants in the political process. In the case of equity there is clear evidence that the meaning when used in matters relating to Australian education has changed over the last fifty years. The discussion in subsequent chapters will reveal this.

Pluralism is often used loosely and confusingly as speakers and writers slip from the descriptive to the normative. Appendix 2 suggests some ways in which greater accuracy can be achieved in discussing these two concepts.

1.6 TIMELINE OF COMMONWEALTH FUNDING INITIATIVES FOR NON-GOVERNMENT SCHOOLS

The main policy initiatives, administrative procedures and community movements affecting non-government school funding are set out in Appendix 3.

1.7 THE STRUCTURE OF THE ARGUMENT

Chapter 2 examines the ways in which society changed between the education settlements of the nineteenth century and the early 1950s necessitating a re-evaluation of the nature and purpose of schooling and of its provision and funding. Chapter 3 analyses the national interest, constitutional, social justice and rights claims which confronted the Menzies government and the way in which it cautiously dealt with these by gradually introducing Commonwealth funding arrangements. Chapter 4 deals with the way in which the Whitlam government sought to depoliticise the funding process by setting up an independent inquiry under Professor Peter Karmel which led to the Australian Schools Commission. Chapter 5 examines the administration of the Schools Commission. Chapter 6 follows the subsequent debate which confronted the Fraser government over the use of public funding to expand choice. Chapter 7 traces the early Hawke government's handling of the national interest, social justice and rights claims within the broader context of its political program. Chapter 8 focuses on the place of the New Schools Policy in the larger program by the Hawke-Keating governments to internationalise the Australian economy and to use education as an instrument for achieving economic efficiency and national competitiveness. Chapter 9 considers the way in which motivation for choice has changed under the Howard government from the primary object of facilitating parental choice to using choice to create greater competition among schools and between sectors. This chapter also gives

consideration to the current suggestions for breaking down the divisions between government and non-government schools and their implications for the future management of conflict. Some conclusions are drawn in the light of thirty five years of Commonwealth funding of non-government schools and the management of political dissent.

ANTECEDENTS TO DIRECT COMMONWEALTH FUNDING FOR SCHOOLS

2.1 INTRODUCTION

Schooling in colonial Australia prior to the mid-nineteenth century was provided either by individuals who set up private venture schools or by the four main Christian denominations (Anglican, Methodist, Presbyterian and Roman Catholic). The influx of free settlers during the 1830s and early 1840s coincided with a severe drought and an economic downturn. Colonial governments in New South Wales intervened to provide financial support to the churches to establish and maintain schools and churches. In 1848, a change in government policy led to the establishment of accessible non-sectarian public schools to supplement existing church schools (Barcan 1988, 48). A dual system of state-funded education continued until the passage of the public instruction acts in 1872 in Victoria, 1875 in South Australia and Queensland, 1880 in New South Wales, 1885 in Tasmania and 1895 in Western Australia (Austin 1961, 181-190). Thereafter public funding was withdrawn from church owned and operated schools in exchange for legislated right of access by denominational representatives to teach Special Religious Instruction in government schools. (An extended discussion of the nineteenth century education settlements can be found in Appendix 4.)

Most church run elementary schools were closed and students transferred to public schools. The exception to this were the Catholic parish primary schools (Austin 1961, 209-214) which, after the removal of state aid, relied on the contributed services of the various religious orders (Fogarty 1959). The other Christian churches maintained a small number of secondary schools at a time when there were few public schools preparing students for university.

On 1 January 1901 the six Australian states federated to become the Commonwealth of Australia. Under section 51 of the Australian Constitution (see Appendix 5), education was not mentioned among the specific powers of the Commonwealth government. Therefore responsibility for all primary, secondary, technical and tertiary education remained a residual power of the states and territories. (Unlike the United Kingdom and the United States of America, this has not been delegated to a lower level of government.) However, as Lingard and Porter observe (1997, 1) 'federalism works politically and financially, as well as Constitutionally'.

Three provisions of the Constitution (the States grants power of section 96, the benefits to students power of the 1946 amendment inserted as section 51 xxiiiA, and the foreign affairs power of section 51 xxix) opened the way for a shared responsibility between the Commonwealth and the states and territories for school funding.

The Australian Constitution gave no encouragement to federal governments to consider aid for non-government schools. Nor did it prohibit such aid should the Commonwealth government decide to direct it to recipient religious bodies providing services to the community. Section 116 of the Constitution simply prohibits governments from forcing any one religion onto the Australian people in its provision that:

The Commonwealth shall not make any law for establishing any religion, or for imposing any religious observance, or for prohibiting the free exercise of any religion, and no religious test shall be required as a qualification for any office or public trust under the Commonwealth.

As Webb (1960, 110) noted, this section is obviously influenced by, but is significantly different from, the First Amendment to the United States Constitution. Citing the way in which this section was inserted almost as an afterthought and without significant debate (unlike the First Amendment which is linked to the concept of democracy and is legally binding on each American state), Webb also pointed to the fact that Australians were simply accepting the nineteenth century separation of church and state and that they generally do not (with the exception of Methodists and Lutherans) regard the separation principle as a vitally important element in their national tradition. He went on to suggest that the Australian community, from his 1959 perspective, 'might therefore modify its attitude on grounds of convenience or of social justice' (Webb 1960, 113). He argued the essential difference between the United States and Australian constitutions is that for Australians Establishment has the particular 'English meaning of official recognition for one religious body; it is not generally regarded as excluding some degree of state support for religious bodies' (Webb 1960, 115). This important distinction was to influence the changing politics of education funding before 1963.

2.2 EARLY COMMONWEALTH INTERVENTION IN SCHOOL FUNDING

Under the federal system of government, revenue raising was concentrated primarily with the Commonwealth but the responsibility for spending in the large areas of education and health remained with the states. Between the nineteenth century education settlements and the second world war, the states found that two depressions and a world war had severely reduced their capacity to fund educational growth and improvement. Observing the stagnation in Australia's school systems in the 1920s and 1930s, Tannock (1969, 8) remarked that

... the history of education in Australia in the twentieth century is in significant measure the story of the increasing inability of the state and private education authorities to fulfil

adequately the responsibilities which were constitutionally theirs or which they voluntarily chose to exercise.

In response the Commonwealth gradually took the initiative in education. The first Commonwealth intervention was to improve national health for the more efficient conduct of Australia's 1914-1918 war effort. In the 1930s the Commonwealth responded to the depression by promoting economic development. These initiatives took six main forms: the establishment of pre-school centres; support for designated teaching and research in universities; the foundation of national scientific institutes to promote education and research; the nationwide program of physical education; the provision of skills programs for World War 1 veterans; and momentum towards establishing a national university in Canberra.

The depression also revealed that there was a lack of coordination of state and federal policies. Commonwealth initiatives were seen as temporary emergency measures because of its unwillingness to assume a major role in what was constitutionally a state matter (Tannock 1969, 41-43). The most significant developments before 1939 were the vocational training scheme for disabled veterans (Tannock 1969, 103-107) and the Soldiers Children's Education Scheme for post-elementary education (Tannock 1969, 132-139). Only in the Australian Capital Territory did the Commonwealth have the need and opportunity to develop school education. Land was granted to Anglican, Presbyterian and Roman Catholic schools and primary, secondary and technical education facilities were set up and administered by the NSW Education Department (Tannock 1969, 154-157). A university college under the academic guidance of the University of Melbourne was founded in 1929 (Tannock 1969, 165). The land grant was the first of a number of incremental measures characterised by Hogan (1978, 27) as 'amicable administration'. This indirect form of aid was not perceived by the electorate as changing the separation of church and state nor to be in breach of the Constitution.

The states were forced by their own inability to fund improvements to look increasingly to the Commonwealth for leadership. The reasons for this lie in the conduct of state governments in the inter-war period. The First World War, soaring inflation, unwise accumulation of debt, the devastating impact of the 1929-1939 depression on the states, the balance in the Constitution towards the Commonwealth, a number of High Court decisions favouring the federal government and the consolidation of Commonwealth fiscal supremacy (Tannock 1969, 6), all contributed to this trend. Per student expenditure in New South Wales in 1933 stood at only 68% of the 1928 level. It took until 1939 to regain the original level. Education represented 25.3% of NSW government outlays in 1928 and only 14.9% in 1933 (Barcan 1988, 213). While state governments' expenditure needs increased, their capacity to raise taxes became more limited.

The Commonwealth's response to this inability can be traced in its gradual acceptance of responsibility for new initiatives in education. In 1937 the section 96 States Grants (Youth Employment) Act granted funds to the states to provide better technical education. In the first Commonwealth parliamentary debate on education in 1939 Mr Blackburn (Labor) perceptively argued that this use of Section 96 of the Constitution had led to a remarkable expansion of Commonwealth powers and to the Commonwealth being able to dictate policy indirectly to the states (Tannock 1969, 203-204). It also revealed the Commonwealth's potential to use special purpose grants to benefit recipients other than the states through the mechanism of tied grants to the states. It later came to be the preferred method for funding non-government schools.

Australia's entry into the second world war highlighted its limited capacity to conduct modern technological warfare. Remedial schemes were implemented using constitutional amendment or emergency powers to assist the war effort. Many of these were carried into the reconstruction programs suggested by expert committees for the post-war era. Education first became a national political issue as the fiercely partisan major political parties sought to demonstrate their commitment to the war effort (Tannock 1969, 209-235, 252-275). The key to success in technological development was the cooperation between the Commonwealth and states with coordination by the national government.

Most notable was the cession to the Commonwealth in 1942 of income taxing powers which shifted the balance still further in favour of the Commonwealth. In the same year, both sides of Australian politics had come to accept that in the national interest there was a need for change, not only in the relationship between the Commonwealth and the states with respect to finance for education, but also between state and church over the provision of a higher standard of education to suit current national needs. How this was to be accomplished in an equitable way without causing serious division within the body politic was the dilemma facing politicians.

Tannock (1969, 10) suggests that the combined effects of stagnation, the 1943 Drummond case which exposed the Commonwealth's lack of constitutional power in the area of education and the immediate demands of war made cooperation between Commonwealth and states absolutely imperative yet highly problematic. The Australian tradition of highly centralised education systems may have made it easier for Australians to accept, and even welcome, Federal initiatives in education. The first post-war step in this direction was the 1946 addition to the Constitution of the 'benefits to students' clause (section 51 (xxiiiA)) which was used to introduce a range of welfare measures including the provision of bursaries and scholarships to university students. Its origin can be found in the bipartisan belief by the end of the war that, in the words of the motion moved by the Liberal Party Opposition Leader R G Menzies in the 1945 House of Representative debate (26 July 1945, 4612) on education,

A revised and extended educational system is of prime importance in post-war reconstruction ... Effective reform may involve substantial Commonwealth aid.

In justification of this Menzies advanced the view (CPD, H of R 26 July 1945, 4616) that

War after war is the result of a failure of the human spirit ... The more absorbed the people become in the technique of material living, the more they have neglected their social responsibilities, and the more, unhappily they have neglected the problems of popular self-government ... My own view is that there are two reasons for this decline ... The first is the increasingly pagan and materialistic quality of our education ... The second particular reason is the unthinking contempt which has fallen upon what people are pleased to call "useless learning" . The old classical conception of education has declined into disfavour.

He went on to express his own opinion that

For many years we have had in Australia the advantage of a system of church schools of all denominations based upon the belief that education should always be conducted against a religious background. But our state schools are, by statute, purely secular in their teaching. ... Nobody can suppose that we are educating our children, except for disaster, by turning them out of purely secular establishments at the age of fourteen, fifteen or sixteen years, merely educated to a point at which they think that there is nothing left for them to learn, aggressively conscious of what they suppose to be their rights, and oblivious of that penetrating feeling of moral obligation to others, which alone can make a community of men successful.

It is significant that these views went uncontested. They reveal the direction in which Australian thinking had been led by the war experience, a direction which was receptive to Commonwealth intervention in order to build a better society in the post-war world. Both major parties took the view that Commonwealth action was needed and that such action was in the national interest. While Liberals wanted commissions of inquiry, composed of local and overseas experts, to examine the best ways in which intervention could be targeted across rural, university, adult, technical and pre-school education, the Labor Minister for Post-war Reconstruction, John Dedman foreshadowed the setting up of a Commonwealth Office of Education, the federal Australian Labor Party government's intention to join the Education Council of state ministers, the establishment of a national university in Canberra, and funding to support universities, adult and technical education and scientific research (CPD, H of R 26 July 1945, 4626-4628). Dedman concluded

The goal which the Government has in view is identical with that envisaged by the Leader of the Opposition, but the Government proposes to reach that goal by a method different from that proposed by the right honourable gentleman.

Although concern was expressed periodically about the low standards in some education systems, both parties were loath to reopen the question of direct aid fearing a revival of sectarian bitterness of the type Archbishop Vaughan's pastoral Letters had provoked in 1879 (see Appendix 4). It is somewhat surprising therefore to discover that the Commonwealth Labor government's 1945 Education Act gave authority to the Commonwealth Office of Education

(f) To advise the minister concerning the grant of financial assistance to the states and other authorities for educational purposes, and such other functions in relation to education as are assigned to it by the minister.

(cited by Hogan 1978, 9 emphasis added)

Clearly this government had realised the potential for Section 96 grants to assist not merely the states but also other educational authorities by means of direct assistance to meet national educational objectives and to overcome the equity problems associated with low standards. Furthermore, it is interesting to note the extent to which Opposition Leader Menzies encouraged Roman Catholics in their quest for social justice by adopting arguments which had been employed (and continued to be used) by their leaders in pressing the claim for government aid for denominational schools. As early as February 1943 he had implied both the freedom of choice and the economic arguments when he said

After all, if these schools were not maintained by great church communities the public as a whole would have to provide far more money for State schools and State instruction.

(cited by Hogan 1978, 18)

A month earlier the Headmaster's Conference had advocated indirect subsidies as a means for supporting church schools. Suggestions for achieving this included income tax deductions for educational expenses. It was to be another six years before Menzies took up this idea during the 1949 election campaign when he promised to liberalise tax allowances for fees and donations for educational services. Despite the recommendation of a parliamentary committee that direct subsidies to schools were more justified than assistance to parents, Menzies' caution led him to choose indirect administrative methods when, as Prime Minister, he finally turned to aiding non-government schools in the 1952 Commonwealth budget. A fifty pound income tax deduction was allowed for educational expenses and full sales tax exemption was allowed for the purchase of educational supplies. Quite clearly this was a sensitive path to follow since it assisted non-government school parents without awakening either sectarian bitterness or the dormant state aid issue. These benefits were to be extended incrementally during the 1950s.

2.3 THE IDEOLOGICAL SHIFT

Much of the twentieth century debate on Commonwealth funding of non-government schools has used the rhetoric of the nineteenth century liberal democratic settlement (see Appendix 4) without necessarily acknowledging that the ideological basis for, and the linguistic content of, the discourse had changed. It is most obvious in the way in which the catch phrase 'free, compulsory and secular' has been used on the assumption that it had a plain and uncontested meaning. Austin (1961, 166-204) has shown that the meaning in 1960 was not the same as in 1880.

Part of this problem has been a tendency among Australians to read into their Constitution intentions which never existed in the minds of those who framed it. The Constitutional Conventions had rejected the full extent of the American First Amendment in separating church and state when they opted for a minimalist statement in Section 116. Yet sections of the Australian community have chosen to assume that this has not been the case and have claimed that the Constitution supports their views. (The fallacy of this assumption is revealed in the Defence of Government Schools' High Court challenge to state aid - see Chapter 6.) Underlying this confusion is what Webb (1960, 108) identified as the lack of a clear Australian concept of the relationship of church and state. In the sphere of education it has been clouded further by the judgment handed down by Chief Justice Latham in the Drummond case where he stated that 'the Commonwealth Parliament has no power to legislate with respect to the subject of education as such' (Tannock 1969, 298-299).

The nature of political democracy itself has also undergone refinement and redefinition against competing political ideologies. An important part of this has been the extension of social welfare responsibilities of both federal and state governments. The development of political rationales for what nineteenth century liberals would have regarded as an unnecessary incursion into the freedoms of individuals and groups has also had an important bearing on thinking about education. This will be analysed in more detail in the next chapter when the party political platforms are examined. An example of this has been the preoccupation of Commonwealth governments since 1929 with the relationship of education to employment and national economic development (see Tannock 1969). Discussion of economic rationalism in its most developed form will be reserved for the chapters dealing with the Hawke governments (Chapters 7 & 8). Social theory has introduced into modern thinking the question of social equity as an outcome of government policy. This was to become a major concern in the 1960s and the defining measure of political policy in the 1970s.

Changing political philosophy and its linguistic expression has been part of a larger change in Western thought structure in the twentieth century. Whereas nineteenth century liberal democracy was a product of Enlightenment rationalism, twentieth century thought has moved beyond modernism in this form into post-modernism (see Appendix 2 for a definition). Melleuish (1995, 1) sees the turning point amongst university educated Australian intellectuals to be in the 1960s. He saw cultural liberalism as covering a range of concerns, from political and social issues through the cultural to the religious. At this point it will suffice to draw some broad outlines of what this change has meant, with some reference to education. In later chapters it will be considered in more detail when impacting on the rationales for certain types of policy or on the reactions to these policies in the wider community.

Of direct concern was whether, in the context of changing ideological content of political and cultural language, is it also possible to find a change by 1960 in the underlying thinking of those who embrace a religious point of view, even though their linguistic expression may remain much the same. This is a crucial issue in determining whether a widespread political backlash arising from sectarianism was a likely response to renewed state aid to non-government schools. Had the climate in favour of aid become more benign? Had Australians become more tolerant of religious differences?

Catholic writers have shown most clearly that there was a wide difference in the 1950s between the experiences a Protestant child in a government or Protestant non-government school and that of a Roman Catholic child in a Catholic parochial school conducted by one of the religious teaching orders (Kent 1988, 245-252; Campion 1982). Apart from the standard of the education itself, which was likely to be lower in the Catholic school because of fewer resources and a lower level of teacher education, the ethos and values of the two types of education were quite distinct. Perhaps the most notable element in this was the somewhat embattled mentality of the minority Catholic community which, prior to World War 2 had been predominantly Irish in origin. Yet this was changing because of immigration and because of the inability of the teaching orders to attract sufficient recruits with a vocation, resulting in the employment of lay staff instead (Webb 1960, 108; Bolton 1989, 113, Mol 1985, 108-121).

Protestants, as Mol (1985, 106) observes have generally established denominational schools to safeguard class-based values and achievements, particularly community leadership, rather than to protect a particular belief system or theological understanding of the role of education. This is still shown by the mission statements of most of the well established schools (Maple 1996). A different rationale for Protestant education was to emerge after 1967 with the formation of Parent Controlled Christian Schools on the Dutch model (Mol 1985, 126).

With such opposed purposes in denominational education one might expect there to be limited grounds for tolerance. This was not the case as Webb (1960, 130) recognised when he pointed to the increasing acceptance of others by Catholics as a consequence of Pope Pius XII's statement on political, civil and social (but not religious) tolerance. He also saw that the democratic governance of the Protestant churches was conducive to greater tolerance of others (Webb 1960, 118). Hogan has drawn attention to the greatly improved climate of tolerance for Catholics produced by the need for solidarity in national defence during World War 2. The measure of increasing tolerance is to be found in the public opinion polls conducted in 1955 and again in 1972 on the state aid question. In 1955 51% were in favour of state aid to non-government schools and 41% were opposed. Although the number in favour diminished in 1963

as a reaction to Catholic activism in the Goulburn school strike, by 1972 67.5% were in favour and only 21.4% were opposed to aid (Hogan 1978, 5).

It is useful to examine where this opposition was located to determine whether it was motivated by religious sectarianism or political ideology. If the opposition to state aid was grounded in the belief that it was support for Catholic error, the oft-heard nineteenth century objection, one would expect to find Protestants as the main opponents. The Morgan-Gallup polls showed that people who classified themselves as Anglicans followed the general population trend in attitudes about aid. Methodists and Presbyterians were slightly more opposed, while Baptists were more strongly against aid. The strongest opposition came from those who claimed to have no religion (Hogan 1978, 5). This tends to indicate that the chief motivation of opponents was the political principle that public funds should not be used to support private schools. It also suggests that members of the sect-like (in the sense developed by sociologists Weber and Troeltsch) Protestant denominations were more likely to be opposed than those of mainstream denominations (Giles 1995, 42-44).

There remains the important question of why had many Protestants come to adopt a more tolerant attitude towards Catholics (who would be the main beneficiaries of any state aid to non-government schools)? The explanation for this would seem to lie partly in changes in demography and partly in the changes which had occurred in Protestant outlook.

Too much appears to have been made by secular historians and sociologists such as Clark (1963, 70) and Horne (1964, 54) on the extent of sectarian bitterness which they believed to have existed at the time of writing. Clear evidence exists of Catholic-Protestant cooperation from as early as 1817 and continuing through the nineteenth century in various parts of Australia (Mol 1985, 35-37). The effect of the Second Vatican Council (1962-1965) was to stimulate greater cooperation at a number of levels, not the least of which is open contact between the laity of all denominations in a spirit of acceptance and of being engaged in a common task in the face of an increasingly secularised society adrift from Christian moral standards. Also as Protestant churches have become increasingly concerned with social justice issues, there has been a breakdown in the former concern for denominational advantage (as identified by Breward 1993, 70) and a greater acceptance of the importance of community well-being. Piggin (1996, 154-171) points to the late 1950s as the most remarkable synthesis of the various elements in Evangelical Protestant thought in Australia's history. Thompson (1994, 98) is less optimistic about the impact of Protestant revivalism on the wider community. He regards the increase in social mobility of Catholics as having produced a greater degree of tolerance than was the case when they formed an underclass (Thompson 1994, 114).

Tolerance is seen most clearly in the pattern of denominational cooperation in government schools. The decline of effectiveness of general religious education as classroom teachers increasingly come from a-Christian backgrounds coupled with the difficulties experienced by denominations in providing special religious education, where state laws allow it, have created a common problem for all parents of ensuring that their children have adequate and systematic religious and moral education. This has become the more pressing as social patterns have seen the decline of the Sunday School (Mol 1985, 128-129) and the increasing acceptance of the argument that religious education in government schools should be education in all religions from a phenomenological perspective (rather than from a faith commitment standpoint) to more truly reflect Australia's cultural pluralism. The end result has been a growing acceptance of the place of denominational and inter-denominational schools to meet this need. The proponents of these have used the pluralist argument to support their own position for distinctively Christian schools.

More concrete evidence is to be found in a sociological survey into Australian belief patterns conducted by Mol in 1966 (1985, 4-5). He pointed to the fall in Roman Catholic population between 1881 and 1921 as Irish immigration, both Protestant and Catholic, decreased as the primary explanatory factor in increasing tolerance. This had a twofold effect. It changed the population balance in favour of Anglicans and Presbyterians. It also changed the outlook of Australian Protestantism away from the strongly adversarial reaction to Catholicism of the past, engendered by the imported religio-political conflicts from Ireland. Leadership of the Anglican and Presbyterian churches was drawn from the more tolerant ethos of England and Scotland. These trends were accompanied by a fall in the percentage of nominal Protestants who were churchgoers (to as low as 13% for Anglicans [Mol 1985, 92-95]). By 1965 a Gallup poll showed that 70% of Australians felt that Catholic and Protestant churches should at least try to unite. Seventy four per cent of these considered uniting to be very important (Mol 1985, 24). Amongst active churchgoers, 64% favoured merger of their denomination with others and only 21% were opposed. Contrary to expectations, age hardly made a difference in these views. What is surprising is that in response to Mol's survey, 51% of those with a Catholic parochial school education and with both parents being regular churchgoers were in favour of merging their own denomination with others (Mol 1985, 113). Mol ascribes this new outlook to the familiarity radio and television had induced in the Australian community by reinforcing the tendencies for greater tolerance which first became apparent in the 1920s.

Another circumstance in bringing about a change in attitude amongst Protestants was the extent to which theological liberalism and the social gospel filtered into a number of the predominantly Evangelical Protestant churches from overseas. This had the effect in the Presbyterian, Methodist and Congregational churches of predisposing them more towards

ecumenical activity and eventual union in the Uniting Church of Australia. Their attitude to Catholics became less oppositional. Members of the Baptist, Churches of Christ and smaller independent Evangelical churches tended to embrace American Fundamentalism, with its anti-Modernist stance against Darwinism, Higher Criticism, liberal theology, modern philosophy, socialism, materialism, atheism and Roman Catholicism (Piggin 1996, 79). Anglicans were affected differently by overseas developments. Evangelical Sydney Diocese, after a brief experience of liberalism, opted for a conservative form of Evangelicalism which was more akin to Fundamentalism than any other position. This intensified under the theological leadership of T C Hammond, M L Loane and D B Knox, successive principals of Moore Theological College (Judd and Cable 1987, 166-172). For the most part, the rest of Australian Anglicans followed the English trend of embracing Tractarian practices of the Oxford Movement and its successors, making it more sympathetic towards Roman Catholicism than had been the case in the second half of the nineteenth century. This would account for Thompson's (1994, 51) view that sectarianism was strongest in Sydney but less so in Melbourne because of the broader churchmanship found in the latter.

However, overseas research by Kaill (1971) in Canada and Roof (1976) in the United States suggests that theology was not as important in creating an ethos favouring inter-denominational cooperation and merger as cosmopolitanism (a concern for larger society) was. In Australia, Black (1983) found that localism (a strong commitment to a local church) and theological conservatism (on items such as Biblical inerrancy, millarianism, predestination, original sin and creationism) often went hand in hand and worked against ecumenicism and merger. Mol (1985, 12-13) has argued that, in general, the more sect-like a church or denomination, the more likely it was to be intolerant of difference and the least accepting of the claims of others, including Roman Catholics.

What is clear from these studies is that there had been considerable weakening of denominational exclusiveness and with it a lessening of opposition amongst Protestants to state aid for denominational schools. Those inclined to the Fundamentalist perspective continued to argue from a localist framework for the continuing separation of church and state. By and large their children attended state schools until the advent of the various types of doctrinally-based Christian schools after 1966. In the middle were those who supported state schools, but who were more open to equity arguments in favour of government assistance for under-resourced Roman Catholic schools. Closest to Catholics were Lutherans and Anglicans who continued to view education from a similar perspective as Catholics. They were completely in favour of all education being from a Christian perspective. These positions began to harden once direct government aid was introduced and once those in favour of inclusive government schools for all Australians mounted an attack on Commonwealth funding policies.

In the non-church community there was a gradual transition away from the high point of liberalism founded on the optimistic Enlightenment view of humanity and its institutions. Two major depressions and two world wars challenged previous sureties. It is poignantly captured in the sub-title of Macintyre's (1991) study on the architect of the Victorian education system - *'The Lost World of Three Victorian Visionaries*. Many were attracted by socialism and its promise of a more equal and just society. Others became more preoccupied with the individualistic enterprise of discovering meaning and fulfilment through post-modernism. All were faced with the reality of the plural society that Australia had become by 1960. The net effect was that many were less committed to the liberal democratic settlement in education and were more open to arguments for tolerance of diversity and for equity in the case of the disadvantaged. Roman Catholic leaders had long portrayed their church as being in need of such consideration (Murphy 1972, 49, 138, 161, 211-212, 224).

2.4 THE FULCRUM FOR CHANGE: POPULATION GROWTH AND EDUCATIONAL REFORM

Depression, followed by the demands of a highly technological war, put pressure on the Commonwealth to provide much needed assistance for schools and technical education. The population changes following World War 2 made such pressure much harder to resist. Table 2.1 reveals the accelerated rate of increase in population growth after 1946. The increased post-war birth rate and the new Commonwealth immigration policy caught state governments unprepared to meet the needs of an expanded school population. The steep decline in population growth between 1929 and 1945 meant that little had been done at state level to improve the standard and availability of education. The 150% increase in population growth rate after the war caused a rapid expansion in school-age population from 1951 (see Table 2.2). By 1961 its effects were felt through the years of compulsory schooling. The impact of population growth rates on the various schooling sectors can be seen in Table 2.3

Table 2.1 Population Increase - Quinquennial Years 1901-1965

<i>Period</i>	<i>Natural Increase (Births over deaths)</i>	<i>Migration (Net)</i>	<i>Total Increase (less adjustments)</i>
1901-05	284, 431	-16, 793	267, 638
1906-10	334, 828	57, 278	392, 106
1911-15	407, 512	136, 862	544, 374
1916-20	371, 131	70, 709	441, 840
1921-25	408, 464	183, 266	591, 730
1926-30	368, 017	129, 707	497, 724
1931-35	263, 249	-10, 886	252, 363
1936-40	272, 447	43, 128	315, 575
1941-45	373, 752	7, 809	352, 611
1946-50	530, 176	353, 084	877, 284
1951-55	599, 702	413, 824	1, 004, 344
1956-60	679, 857	405, 022	1, 080, 095
1961-65	687, 432	399, 888	1, 057, 097

Source: *Official Year Book of the Commonwealth of Australia* 1942-3, 1947, 1954, 1958, 1962

**Table 2.2 Population: Graduated Age Distribution 0-19 Years
(Census 1921-1961)**

<i>Age last birthday</i>	<i>Estimated</i>					
	<i>1921</i>	<i>1933</i>	<i>1947</i>	<i>1951</i>	<i>1956</i>	<i>1961</i>
<i>Years</i>						
0-4	599 716	568 963	760 387	930 398	1 001 928	1 109 534
5-9	597 317	627 377	603 983	742 948	977 939	1 047 465
10-14	526 845	625 222	534 683	607 694	783 576	1 019 998
15-19	466 692	615 409	586 666	553 623	636 723	808 873
<i>Total Populn.</i>	5 435 734	6 629 839	7 579 358	8 431 390	9 427 558	10 508 186

Source: *Official Year Book of the Commonwealth of Australia*, 1942-3, 1947, 1954, 1958, 1962

Table 2.3 Schools, Teachers and Students 1941-1961

A Number of schools

Type of school	Year 1941	1951	1961
Government	9 535	7 648	7 917
Non Government			
Anglican	+	125	122
Hebrew	+	*	9
Lutheran	+	*	22
Methodist	+	21	24
Presbyterian	+	42	36
Roman Catholic	+	1 435	1 752
Seventh Day Adventist	+	*	41
Other	+	69	8
Non-denominational	+	198	114
Total Non-Govt	1 863	1 890	2 128
Total Schools	11 398	9 538	10 045

B Number of teachers

Type of school	Year 1941	1951	1961
Government	32 066	36 740	60 029
Non Government			
Anglican	+	1 906	2 526
Hebrew	+	*	118
Lutheran	+	*	136
Methodist	+	558	685
Presbyterian	+	692	978
Roman Catholic	+	8 614	12 312
Seventh Day Adventist	+	*	153
Other	+	319	185
Non-denominational	+	1 162	1 078
Total Non-Govt	11 369	13 251	18 171
Total Teachers	43 435	49 991	78 200

+ Categories undifferentiated in 1941 * Included in 'Other' category

Table 2.3 Schools, Teachers and Students 1941-1961, continued
C Students

<i>Type of school</i>	<i>Year</i>			<i>Growth</i>
	<i>1941</i>	<i>1951</i>	<i>1961</i>	<i>1951-1961</i>
Government	886 655	1 078 247	1 662 678	54%
Non Government				
Anglican	+	31 184	40 997	31%
Hebrew	+	*	2 091	-
Lutheran	+	*	2 399	-
Methodist	+	9 242	11 948	29%
Presbyterian	+	12 154	16 721	38%
Roman Catholic	+	248 749	429 711	73%
SeventhDay Adv.	+	*	2 418	-
Other	+	5 648	3 554	-
Non-denom	+	19 281	15 281	-21%
Total Non-Govt	256 580	326 258	525 120	61%
Total Students	1 143 235	1 404 505	2 187 798	56%
Non-govt as %	22.4%	23%	24%	

+ Categories undifferentiated in 1941 * Included in 'Other' Category

Source: *Official Year Book of the Commonwealth of Australia* 1942-3, 1954, 1962

During World War 2 falling birthrates, limited migration and the scarcity of teaching staff led to a rationalisation of government schools with the loss of many small schools. Numbers of schools grew by a mere 3.5% between 1951 and 1961. In contrast in the same decade non-government schools increased by 12.6%. In 1961 82% of non-government schools were Roman Catholic foundations. Their numbers had increased by 22% in the previous decade.

The reasons for this rapid expansion of the Catholic sector are not hard to find. Australian-born Catholics, who were morally bound not to use artificial birth control methods, tended to have larger families. Secondly, the migrant intake of the 1950s increasingly came from Catholic Eastern and Southern Europe. The impact on Catholic schools can be seen, not only in a 73% increase in student numbers, but also in the increased provision of schools and the 43%

increase in teaching staff employed in them. As Table 2.4 shows, the Catholic sector more than any other suffered from being under-resourced when average class size is used as a measure, since teachers' salaries constitute the largest single item of school expenditure. Whereas government schools by 1961 had recovered the 1941 teacher-student ratio, Roman Catholic schools had declined from 28.88 students per teacher in 1951 to 34.90 in 1961.

Table 2.4 Average Class Size

<i>Type of School</i>	<i>Year</i>	<i>1951</i>	<i>1961</i>
Government		29.35	27.70
Non Government			
Anglican		16.36	16.23
Methodist		16.56	17.44
Presbyterian		17.56	17.09
Roman Catholic		28.88	34.90
Non-denom		16.59	14.17
All Non-Govt		24.62	28.90
All Schools		28.09	27.98

Source: *Official Year Book of the Commonwealth of Australia* 1954, 1962.

Attempts to address the educational deficiencies of the pre-war years led to the commissioning of the Wyndham committee of inquiry in New South Wales which reported in October 1957 recommending the introduction of an extra year into secondary schooling. This created the need for additional accommodation in secondary schools following its implementation in 1962 as well as the significant upgrading of facilities, particularly science laboratories and libraries, to cater for the revised curriculum. The other states were facing similar restructuring at this time.

The necessity for expensive specialist learning areas, the hiring of additional and more highly qualified staff and a 10% increase in general accommodation impacted most keenly on the Roman Catholic section of the non-government sector.

2.5 COMMONWEALTH ADMINISTRATIVE MEASURES BEFORE 1963

The dilemma facing politicians was dealt with in the first instance by a series of indirect administrative measures. This cautious implementation of assistance to non-government schools became a factor in predisposing the Australian community towards more direct forms of aid in the 1960s. The strong opposition of the type found in the United States when governments have sought to sidestep the First Amendment was lacking in Australia. Commonwealth governments, provided they remained even handed, could claim not to be in breach of Section 116. Secondly, the Commonwealth Constitution allowed generous interpretations of what special purpose grants could be given to states under Section 96 or what special assistance could be given to students under Section 51 xxiiiA. By assisting parents and not schools or churches, the Commonwealth remained on incontestable grounds.

Hogan has given careful study to what he terms 'amicable' administrative measures instituted by Commonwealth and state governments prior to the granting of direct aid to schools and school systems for the first time in 1963. State measures have included secondary bursaries introduced as early as 1912 in New South Wales. By 1950 1745 students were being assisted 48% of whom were in non-government schools. The Department of Health conducted medical and dental inspections for all children in all schools. The Department of Labour and Industry provided vocational guidance and the national Fitness Council of New South Wales provided physical education facilities for all students regardless of school type. Under the 1919 Local Government Act all school properties, irrespective of ownership, were exempt from rates and state land tax. The Lotteries and Art Unions Act administered by the Chief Secretary's Department allowed schools to run fetes, bazaars, art unions and housie to assist with fund raising. In 1950 free country bus travel was introduced for all school children. This was extended in 1956 to include free school term rail tickets and again in 1959 for all school transport. Transport subsidies were given to private school children in Victoria in 1953. In 1956 the Tasmanian government was re-elected on a promise of per capita grants to private schools (Hogan 1978, 7-28).

Commonwealth indirect aid took the form of free radio licences for schools after 1948 and access to Australian Broadcasting Commission schools programs. Over 70% of school cadet corps funded by the Commonwealth were in non-government schools. Repatriation Commission assistance in the form of Soldiers' Children Education Scheme and Commonwealth Reconstruction Training Scheme for technical retraining assisted students at non-state schools and colleges. Land grants were made available to non-government schools in the Australian Capital Territory as early as 1929 and direct grants of up to half the recurrent expenditure were made to

Christian mission schools in the mandated territory of Papua-New Guinea. In 1951 free school milk was made available to all primary and infants school students. In 1953 the tax concessions introduced in 1952 for school fees were lifted from fifty to seventy five pounds. In 1956 the limit was again lifted to one hundred pounds followed by one hundred and fifty pounds in 1963. In 1954 tax deductions were introduced for gifts to schools. This acted as a stimulus to non-government school fund raising. The problem was that these indirect assistance measures were of greater benefit to high income earners than to the poor. In 1956 the Menzies Liberal-Country Party government took over the first 5% of interest payments for non-government secondary schools in the Australian Capital Territory. This was extended to primary schools in 1961. This was an important form of assistance, allowing church authorities to borrow extensively to renovate and extend schools.

The extent of this assistance led to a variety of pressures for a more systematic approach to aid. By 1957 the Democratic Labor Party had adopted direct aid as part of its platform and in 1962 the Country Party adopted a similar policy, thereby ensuring that the government would be under some pressure to meet non-government school needs. Chapter 3 examines why the political parties adopted these policies and how they implemented them.

2.6 CONCLUSION

On the understanding that at any one time policy making is conditioned by its antecedent events, this chapter has traced the various attempts before 1960 to provide a workable solution to the provision of education of a satisfactory standard for all Australian children. In the search for a common solution to the educational problem, each Australian colony settled for a secular education system founded on liberal democratic premises and utilising a common Christian values system. The result was a system of public education for around eighty per cent of Australian children, a second system for Catholic children and a relatively small number of continuing Protestant denominational independent schools concerned mainly with secondary education for the children of the well-off who sought for their children a university education or positions of leadership in commerce and agriculture.

The inequities that existed between a government-funded public system and a voluntarist Catholic system became increasingly apparent as the need for a higher standard of education developed in line with the technological progress of the first half of the twentieth century. This was further complicated and exacerbated by the unequal impact on Catholic schools of a rapidly growing population after 1945 at a time when the number of recruits to the religious orders who staffed these schools was declining sharply. The ideological shift which was taking place in

politics, religion and the wider Australian culture had produced a greater degree of tolerance and a more pronounced readiness on the part of some to re-examine the nineteenth century educational settlement in terms of its equity in the increasingly pluralist (both associational and contextual) society and in terms of its suitability for serving the national interest.

It is necessary to turn now to an examination of the political dimension of this change in outlook. The next chapter examines the transition from indirect support measures for non-government schools to direct but reversible aid before investigating the reasons for and processes of introducing full per capita assistance by the Liberal-Country Party Coalition governments between 1963 and 1972.