

A perspective by former Executive Director Josephine Lonergan and former President Leo Dunne

The trend to less public investment in education

The Australian College of Education's College Year Book 2000 contains a series of articles which provide valuable comment on many of the complex issues of the resourcing of schools and raise serious questions for the future of education in Australia. A number of these articles point to diminishing levels of public investment in education and the likelihood that this trend will continue.

Ruth Ethell and Neil Dempster in their article on School Funding and Competition Policy: An Exploration of Alternatives comment: "There is a resistance to any serious exploration of funding models that may demand increased government expenditure on education." With respect to Australia, they say, it could be argued that such resistance is unwarranted given Australia's relatively low spending on education as a proportion of GDP when compared with other OECD countries.

Dr McKinnon and Suzanne Walker in Pluralism, Common Values and Parental Choice, refer to "resource cutbacks and limitations in some states" for schooling.

Professor Peter Karmel, Editor of the Year Book, is quoted in The Age of Saturday 17 June 2000, as saying that while school resourcing had improved since before 1973, new pressures had now emerged as the brakes were put on resources in recent years.

In his article in the Year Book on the Economic and Political Context of School Resourcing, 1985 to 2000, Dr Ross Harrold provides evidence to show that the major growth areas of combined Commonwealth, State and local government public spending over the 12 year period 1987-98 have been in social security and health. He says that this is "partly due to

economic pressures and partly to political pressures." These two areas have increased their share of public spending from 38% to 49% over that period.

Education spending (school and post school) on the other hand, he says, increased over the same period by a marginal 0.7% from 13.8% to 14.5%.

Parents' Concerns

The evidence of diminishing resources to school education is of serious concern to all parents.

The Australian Parents Council represents parents of students attending non-government schools throughout Australia. However, the Council is concerned for the education of all students in all schools and strongly supports a public schooling sector delivering quality education to students in government schools.

There are a number of questions arising from diminishing government resources for school education that are of particular concern to parents.

- What is the role of State and Commonwealth governments with regard to the provision of resources for students attending government and non-government schools?
- What priority should governments give to spending on school education and what contribution do governments expect parents to make?
- Are current levels of public expenditure adequate to meet the new agreed goals of schooling?
- Have governments costed these agreed goals?
- Should short to medium term economic, demographic and political realities militate against any required expansion of public funding for education and in particular for schooling?
- How accountable to the taxpayer are governments in relation to school education spending and how transparent is the financial accountability information governments provide to parents and the community?
- Should the school-parent-taxpayer accept that they ought to be a major supplier of any increased resource base for school education, government and non-government? What contribution should parents make - to the government sector of schooling and to the non-government sector?
- What are the consequences of a continued decline in public investment in schooling?
- Will Australia be able to maintain standards of living currently enjoyed without a high quality education for Australian students?

Does greater public investment in schooling mean a better educated population of young people?

The following is not an attempt to answer these questions. It puts forward some comment from a non-government school parent perspective on the adequacy of governments' commitment to funding for school education and governments' increasing expectation of growing private input into school education.

Priorities of governments?

Parents perceive that the priority accorded by State governments to spending on school education has diminished.

Reasons for that may well be attributed to many factors: - the political realities of government priorities; the substantial demographic and social change which has taken place in Australia especially over the last 20 years; the complexities of Commonwealth/State relations; and the States' assumption that the Commonwealth will continue to increase funding for school education.

Creating an Education Nation, a Discussion Paper published by the Australian Education Union in 1995, points to the pronounced shift in the balance between Commonwealth and State government funding for school education between 1989 and 1993/94. Total Commonwealth funding per student (on all students, government and non-government) increased by 19%, while total funding increased by 7%. This trend appears to have continued.

It seems that some State governments, possibly all, have withdrawn funds from spending on school education. All governments, on the other hand, have recently embraced the ambitious new goals for schooling contained in the 1999 Adelaide Declaration on National Goals for

Schooling in the Twenty-first Century and are developing ways to provide measurement of schooling outcomes in accordance with those goals. It seems doubtful, however, that government funding for school education sufficient to achieve the goals is, or will be forthcoming.

Current government/teacher union pay disputes around the country highlight questions of adequacy of teacher salaries, the highest percentage of expenditure on school education. A highly skilled, adaptable and flexible teaching force, whose professional growth and formation is encouraged and funded, is the single most important factor in maintaining quality outcomes for school students. Teachers need to be properly paid to deliver the complexities of 21st Century education

Funding issues arising from research on the importance of early learning, the expansion of Vocational Education and Training in schools, the integration and use of new technologies and inadequate funding for disability and disadvantage have to be addressed.

Yet, education spending by governments as a proportion of the GDP has fallen considerably from 4.9% in 1992-93 to 4.4% in 1997-98 (Australian Bureau of Statistics. Expenditure on Education Australia 1997-98. Cat. No. 5510.0.)

Expenditure on schooling as a proportion of GDP has fallen from 3.6% in 1983-84 to 2.7% in 1995-96. According to calculations by the Australian Education Union, this decline represents \$4.6 billion annually.

Mr Kim Beazley, Leader of the Federal Opposition, painted an even more alarming picture in the Sunday Canberra Times of 4 June, 2000.

"Australia is unique among developed nations in reducing our public commitment to education", he said. "Five years ago Commonwealth spending on education was 2.2% of GDP. This year it will be 1.8%."

The difference in the presentation of figures and statistics in the above sources is a prime indicator of the difficulties for parents getting to the truth of matters about spending on education.

No doubt State governments will contest the allegation of reduction in their funding commitment to schooling. The statement of the Australian Senate, Employment, Education and Training References Committee in Not a level playground, June 1997, appears to have continuing relevance to the defensive attitudes of governments:

"It is extremely difficult to ascertain where the truth lies in matters of State and Territory government expenditure on services, especially when the involvement of the Commonwealth is taken into account. What is most critical to a discussion of the level of government funding is the argument that the level of funding has not kept up with the massive increases in the costs of schooling resulting from developments in recent years."

And

"It is inevitable that the burgeoning demands on schools in recent decades have increased the real costs of education. The manifest failure of governments to fund choice, fundamentally

threatens the principle of free secular education that had traditionally characterised public education in Australia."

Schooling - valuable or invaluable ?

The current emphasis on efficiency and effectiveness of school education is important and necessary, especially to parents, but it cannot be substituted for adequate government funding of schooling goals. It is responsible for governments to be able to demonstrate value for money in public spending, but it is unlikely that continuing contraction of public spending on school education will enhance Australia's future opportunities. Expenditure on schooling should be viewed as an investment in the future not a drain on the public purse.

Even though the population may be ageing, Aungles' et al article in School Resourcing demonstrates that Australia will have a substantial proportion of its population aged 0 to 24 years for the next twenty years, and their need for quality education is immediate.

Demonstrating value for money in public spending cannot be the means or the ends of schooling and the allocation of resources for schooling with

- only measurable outcomes in mind, ignores the need to invest in intangible
- assets. Building human capital through professional development, advancing technology, and improved capital facilities to foster improved skills is essential but hard to measure.

From the parent point of view, priority for government spending on school education should be at the top of the list. The consequences of a population ill equipped to serve Australia in the future will become evident in declining living standards and an inability to compete successfully in the region in which Australia is placed.

Australia's neighbours experience very different circumstances from Australia and unless Australia develops innovative technology and expertise and can provide leadership and direction for the region, Australia will not compete successfully or gain the regard it deserves. Education will be central and critical to achieving that.

The case for additional funding of school education has been ongoing. The Report of the 1992 House of Representatives Inquiry Strategies for Early Intervention for Literacy and Learning for Australian Children recommended that Commonwealth and State funding to the primary schooling sector be increased, over the next three financial years, to the equivalent general per student levels of the secondary sector. That has not happened.

In 1995 the Schools Council observed that there was an overall body of opinion among education groups consulted that there should be an increase in the level of Commonwealth recurrent grants available to primary schools.

Increasing emphasis on technologies, pathways and vocational education in secondary schools requires additional funding. Schools can experience funding shortages particularly if required to comply with TAFE facility standards. If transparent accountability existed, the whole community would have a greater appreciation of schooling cost and could see the need for greater investment of public funds for school education.

It is essential to find ways of persuading governments to give higher priority to spending on school education and to remove the mindset of schooling as a cost rather than an investment.

The Parent Contribution

If government support for schooling is contracting, who is the likely bearer of the burden of any funding shortfall? Are government and non-government school parents to be expected to increase their financial contribution to their children's schooling? Is that a reasonable expectation given the compulsory nature of schooling, the responsibility of governments and the widespread endorsement of the right of all persons to education?

It would be the parent perspective that looking to parents in the government and non-government schooling sectors to provide additional private input ought to be an option of last resort. In the government sector, it cuts across the principle of free, secular education. In the non-government sector, where school education is not free, it would impose increasing burdens on a parent population already discriminated against in terms of an equitable share in government funding available for schooling.

If governments do expect increased parental effort, then it should be expected across all schooling sectors for the benefit of all Australian school children and with the emphasis on equity and access. It would be necessary to apply a needs basis to the funding of both government and non-government school children to determine a basis for increased parent input.

Any additional parent effort should not be substituted for government funding. Governments would have to guarantee to maintain their effort and to apply any savings effected to the schooling of the disadvantaged and marginalised.

Current assessments put the private contribution of government school parents to government school education on average at between 5 and 7%. State and Territory governments meet the remaining 93% of the cost. Combined Commonwealth/State funding for the 70% of total enrolments attending government schools in the 1997-98 year totalled \$12,547 million

According to the Budget Papers 1998-99, parents who send their children to non-government schools contribute 44% on average of the cost of their children's schooling with the Commonwealth contributing 37% of the cost and States/Territories 19%. Combined Commonwealth/State funding for the 30% of total enrolments attending non-government schools in the 1997-98 year totalled \$3,463 million.

However, it is clear that financial imperatives are not the sole determinant of school choice.

The 1996 Census figures demonstrate that the family circumstances of students at both government and non-government schools range across the income spectrum. Of the 6.9% of families with children at school and an annual income of more than \$104,000 per year, some 45% use government schools only, 47% non-government schools only and 8% have children at both types of schools. In the middle income brackets school attendance is 30% non-government and 70% government schools, with some 20% of families in the lowest income brackets (under \$25,000) choosing non-government schools for their children.

Even if parents in government schools who can afford to pay more for their children's education did so, what guarantee would there be by governments of no withdrawal of funds and of greater investment in the school education of those who cannot pay.

Governments have to decide whether they continue to support free, secular school education in Australia, or is Australia at a point of not being able to provide adequate resources to government schools? The future of Australian children depends on skilled, well paid teachers and other necessary resources.

Accountability of Governments

Parents are of the view that governments' accountability to parents and to the general public for schooling expenditure should be greatly improved.

State governments supply information to the Commonwealth about expenditure on school education apparently on a formula agreed by the States. Whether or not that information is consistent and comparable across the States is a matter for conjecture. For instance, it appears that not all expenditure on school education is included in figures used to arrive at the average recurrent per pupil cost of government school education.

The 1997 National Report on Schooling in Australia Table 2B, Per capita expenditure on government schools, says that the expenditure base used to derive the per capita figures specifically excludes a number of items. Some of the items excluded are: private expenditure, i.e. funds raised by schools, school councils or community organisations; expenditure on superannuation, payroll tax, provision for long service leave, depreciation and sinking fund payments, interest on Commonwealth loans, staff accommodation (including all payments to housing authorities); expenditure on accruals, provisions, commitments and liabilities

How can the Average Government Schools Recurrent Cost (AGSRC) figure be considered credible by the education and the wider community?

In 1994, the Department of Employment Education and Training commissioned independent consultants, Coopers and Lybrand, to report on the elements of government school recurrent costs used to arrive at average government school recurrent cost per pupil. The consultants recommended that elements of government school cost currently excluded from the calculation should be included, such as superannuation and expenditure arising from privately raised funds. These still do not form part of the Average Government School Recurrent Cost (AGSRC).

The principal accountability mechanism for reporting on school education, the National Report on Schooling in Australia, has consistently appeared 18 months to two years after the end of the reporting year. It has more value as history than as a contemporary report. Each State and Territory controls its State information and no doubt ensures that only favourable material is recorded. It is impossible to know what costs are being counted or whether a credible summation of expenditure in Australian schools, albeit two years previously, is being delivered.

Improved, consistent, comparable, transparent reporting of school education across all States and Territories and the Commonwealth ought to be put in place to satisfy the accountability governments owe to the public.

Findings of the June 1997 report of the Senate Inquiry, Not a level playground remain relevant:

"Cumulatively, the evidence before the Committee is compelling. The level of funding for government schools is inadequate.....recurrent school costs appear to have increased much faster than prices within the general economy, with the result that school funding, deflated by the schools recurrent cost index, actually showed a decline over the period in question. In short, any increase in school funding levels by governments, predicated upon general cost increases in the economy generally, will still be significantly short of what would be sufficient to meet the actual increases in school recurrent costs".

Parents believe that this accurately states the current position on levels of funding.

As non-government schooling funding is linked to government school costs, the same concerns are true of government funding for non-government school students, despite the massive effort of non-government school parents and the \$3.4 billion per annum in savings to governments effected by their contribution.

A Framework for Resourcing

Changes of government inevitably lead to changes in policies and quite often a roll back of previous government initiatives and perspective. It would be helpful to find a framework of agreement across the States/Territories and the Commonwealth which could insulate schools and school education from this particular uncertainty. Constant change brought about by different governments adds significantly to the anxiety experienced by teachers, especially in government schools.

A strategy suggested by the Schools Council of the National Board of Employment Education and Training in 1995 was for the establishment of "A collaborative Funding Committee, under the auspices of the Council of Australian Governments (COAG) or an appropriate national body which would determine overall resource levels, allocative mechanisms and the relative funding shares of the various partners in respect of funding government schools after 2000."

The rationale stated for the suggestion says:

"Under the current Federal system of schools funding, there is no way in which resource levels for schools can be discussed from a Commonwealth perspective in isolation from the policy priorities of the States or vice versa. One proposal to address the issue of the declining total resource base would be to establish a Collaborative Funding Committee to devise one funding formula for the allocation of Commonwealth and State resources to all Australian schools"

Such proposal would require the commitment of the States, Territories and the Commonwealth in a genuine collaborative effort for the adequate resourcing of school education and some resolution of the Commonwealth/State relations divide. States and Commonwealth should also accept the necessity of involving and consulting with the major stakeholders in school education to develop such a formula.

The likelihood of such collaboration may well be distant, given the ongoing argument, especially in New South Wales, about the effect on government school resourcing of the implementation of the Commonwealth's Enrolment Benchmark Adjustment (EBA) policy. Formulated to address the issue of cost shifting between the States and the Commonwealth when proportions in government/non-government school enrolments change, the policy is seen by some as a Commonwealth device to lessen funding for government schools.

Perhaps some light, as opposed to heat, will be shed by the deliberations of the new working party involving all States and Territories, recently established by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA). The Working Party is to "review the issue of cost shifting between Commonwealth and State Governments as a result of the shifts between public and private schools." The Working Party will also look at the impact of the EBA on the availability of funds to government schools.

The Taskforce presents an opportunity for a collaborative approach by the States and the Commonwealth, with input from other education interests, to review models and practices for school resourcing. It is necessary to consider a way forward to options for the allocation of improved government resources to Australian schools. It is time for the return of a truly national forum to discuss these issues. There are few issues as critical to the future of Australia as optimal school education for its young people.

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