



# WHAT IS THE AUSTRALIAN GOVERNMENT'S ROLE IN SCHOOL FUNDING?

In seeking to find a rationale to explain its largesse to private schools, the Howard Government has persistently tried to imply that it has a responsibility to look after private schools whilst state or territory governments look after public schools.

This does not reflect the Australian Government's historical role in school funding. Such a situation means that the Australian Government is only concerned with the less than one third of the nation's children in private schools and has no concern for the over two thirds in public schools. This would be indefensible for a fair minded government that cares about all the nation's children.

## History

Schools are not mentioned in the constitution and are therefore primarily a state and territory responsibility. However, in the late 1960s there was considerable concern about the levels of resourcing in Australia's schools, and the Australian Government, with its greater revenue raising capacity, took steps to lift them. This was seen as being in the national interest. It was able to do so constitutionally under a number of powers. (See Borgeest (1994), Salvaris(1995), Martin (1996)).

Initially it provided some money to encourage both public and private schools to build science laboratories, then school libraries. In the early seventies, when Gough Whitlam was Prime Minister, it began to provide recurrent expenditure to both private and public schools. This funding was based on three key principles:

1. A primary obligation to public schools.
2. It was needs based and designed to bring all schools to a community or average standard.
3. It sought greater equity with programs for the most disadvantaged schools and students.

## Primary Obligation to Public Schools

The Act which established the Schools Commission and formalised Australian Government funding to schools in the early 1970's said it should have particular regard to:

*The primary obligation, in relation to education, for*

*governments to provide and maintain government school systems that are of the highest standard and are open, without fees or religious tests, to all children.* (Schools Commission Act 1973, Section 13 (4).)

This principle was also carried forward into the Employment, Education and Training Act 1988 (Part 111, Section 24 (2), when the Schools Commission was abolished and the Schools Council formed. When the Howard Government abolished the Schools Council in 1999, this clause was conveniently lost and forgotten.

## Community Standard

Throughout most of the 1970's, the 1980's and until 1993 most Australian Government funding was based on a principle of seeking to achieve a common resource standard for all schools in Australia, both public and private. In essence, this meant a system of Australian Government support based on need. This target later became expressed as a Community Standard, and funding was directed to bring the least well resourced schools in both sectors up to this. In 1993 it was argued that all public schools had achieved this standard and so the community standard was replaced by the Average Government School Recurrent Costs (AGSRC). The Australian Government role in funding schools remained primarily based on the principle of need and achieving a common standard across all schools.

In fact, the new funding formula for private schools introduced in 1994 included "a betterment factor" for those schools operating below AGSRC. This increased their grants in real terms each year so that by 2000 they would all be operating at at least the AGSRC (including private sources). This was delivered in full, but there has been no inquiry to ascertain whether it achieved its objective and if not why not.

## Greater Equity

In addition to the general recurrent funding provided on a needs basis, the Australian Government also funded a number of programs, called targeted programs, designed to stimulate greater equity in schooling outcomes for Australian children.

These have included the Disadvantaged Schools Program, the National Equity Program, Indigenous education support programs, Students At Risk Program, and other programs aimed at those with special needs or who are educationally disadvantaged.

### **The Howard Government's Role**

The Howard government can find nothing in the history of Australian Government funding to schools which provides a basis for the role it is pursuing. The history directly contradicts its claim that its role is primarily to fund private schools.

There has never been an agreement or understanding with the states and territories that the Australian Government has a greater responsibility to private schools. No state politician from any political party agrees that such an agreement or understanding exists. There is no document which attests to such an agreement. All state and territory governments deny that such a document exists.

Max Walsh (Bulletin June 26, 2001, p. 20) talking of this claim when it was first aired by then Education Minister David Kemp said, "to be polite, Kemp is talking poppycock". He also pointed out that in fact there is such an agreement in relation to Higher Education, but that under the Howard government Australian Government expenditure on private schools would overtake that on Universities for the first time. The Howard government clearly puts a higher priority on funding private schools than either public schools or University education!

The Australian Government does now play a vital role in schools, even though they are primarily the constitutional responsibility of the states and territories. They provide nearly a quarter of the funding, and have a large influence on the shape of schooling through their bias to private schools. Why do they have a Minister of Education, who is a senior member of cabinet, if they have no role?

The Australian Government recently announced its proposed schools funding plans for the 2005-2008 quadrennium. Only 31% of the proposed \$31 billion expenditure will go to the nation's public schools, attended by nearly 70% of children. For the first time, recurrent expenditure on Independent

schools alone (\$7.6 bn) exceeds that on public schools (\$7.2 bn). Only 11% of students currently attend these schools.

This funding consolidates the increases given to private schools in the last quadrennium. Those who have gained most from the Howard government's largesse are those schools which already have resources most schools can only envy.

### **Conclusion**

Australian Government funding to schools has become a well established and vital part of school funding in Australia. Over the period of time the Australian Government has been active in schools, it has played a key role in the areas of emerging national priorities and in greater equity in schools.

It cannot be argued that it has no role in school funding. It cannot be argued that its principle role is to support private schooling. Above all, it cannot be argued that it has an obligation to pour money into schools which already operate on incomes twice and three times the average.

What sort of a government sees as its priority giving greater subsidies to the wealthiest schools whilst ignoring the 70% of Australian children who attend public schools?

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***For more detailed information on these and other issues see the other Fact Sheets in this series at <http://www.aefederal.org.au/Debates/schoolscampaign.html>***

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