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Federalism, education provision and the common good

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Sadly, some education commentators you would have you believe that 1,100 independent schools in Australia, their 550,000 students and 50,000 staff not only do not contribute to the common good but in fact by their very presence and nature, work against the common good.

I would like to counter that point of view by briefly sketching two important ways in which independent schools self evidently contribute to and enhance the common good through; 1) Economic Benefits, and 2) Social Benefits.

The OECD has long acknowledged the dual nature of the public benefits of education which flow not only to individuals but also to broader society and to governments.¹

Economic Benefits

Funding of schools in Australia is complex, very widely misunderstood and often misrepresented. Schooling is an expensive business – it is a \$50 billion pa operation and grows at about 6% pa, year after year. It involves the Federal and state governments as well as parents and the school community.

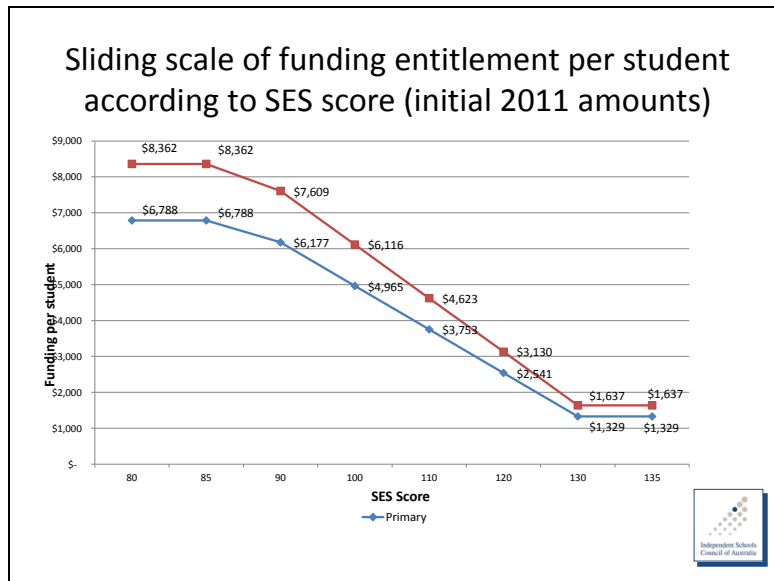
¹ OECD Education at a Glance 2011

Some government funding to support students in independent and Catholic schools has been provided since the 1970's – ie for the past 40 years. Prior to that time, the full burden of the costs of non-government schools was met by churches, parents and the school community. In contrast, governments (mostly state governments) have always fully funded public or government schools.

Government support for students who attend non-government schools is now an established feature of the schooling landscape in Australia. Despite almost a half a century of essentially bi-partisan support from the major political parties to provide some funding support for these students, there have always been debates about **how** the Federal Government should distribute funds to non-government schools. Indeed, we are currently having a debate about this very matter.

Federal Governments over the years have always attempted to distribute recurrent funds for non-government schools on a needs basis – or more accurately, on a relative needs basis. One way of looking at this is to line up the 2,725 non-government schools in an order from the most needy to the least needy. The current funding model is known as the SES model and has been in place since 2001 and will survive until at least the end of 2013.

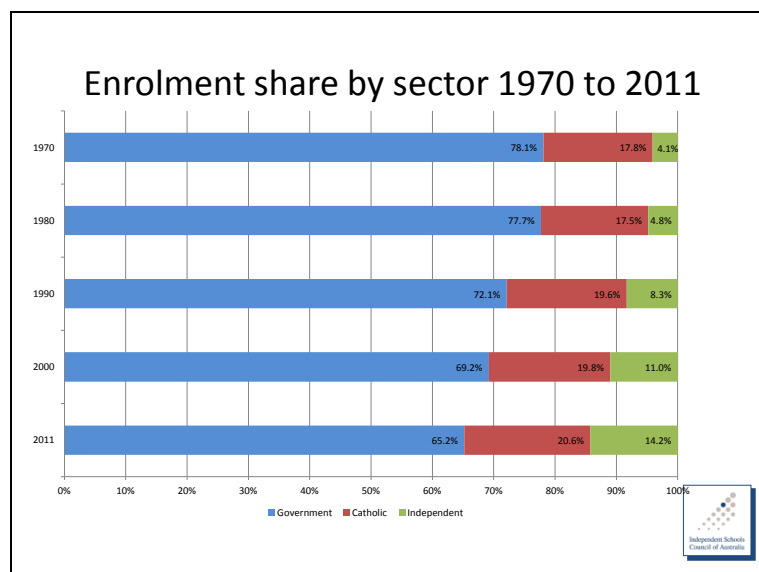
The SES model is not perfect but it does differentiate on a needs basis between a vast array of schools in very different communities across Australia.

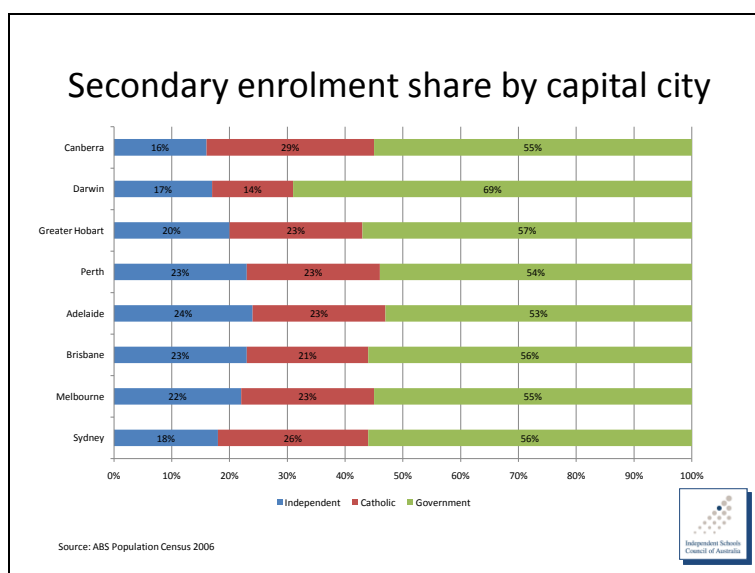
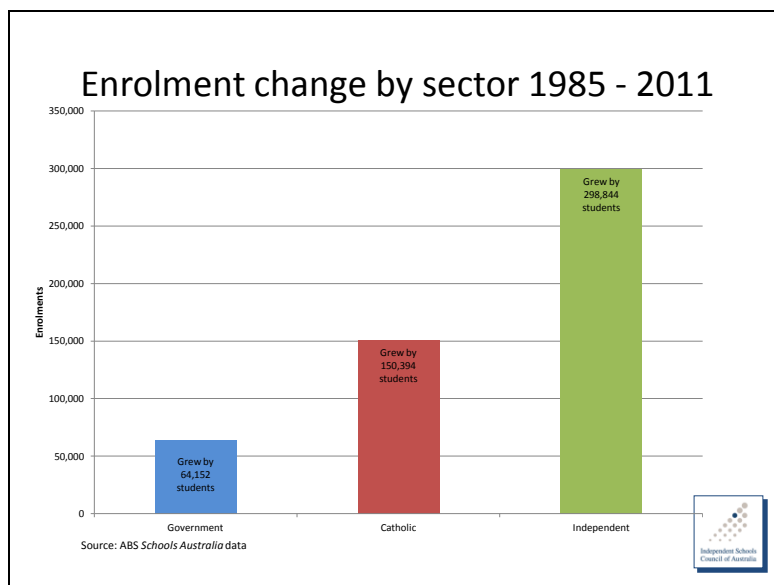


Of course, the recently released Gonski Review has made a range of recommendations for a new model for funding all Australian schools. The independent sector is working constructively with the Australian Government to consider the merits of Gonski's proposals.

This is a high stakes game with potentially serious economic and social consequences for the Australian community.

So let's have a look at some facts.





Family income and school choice

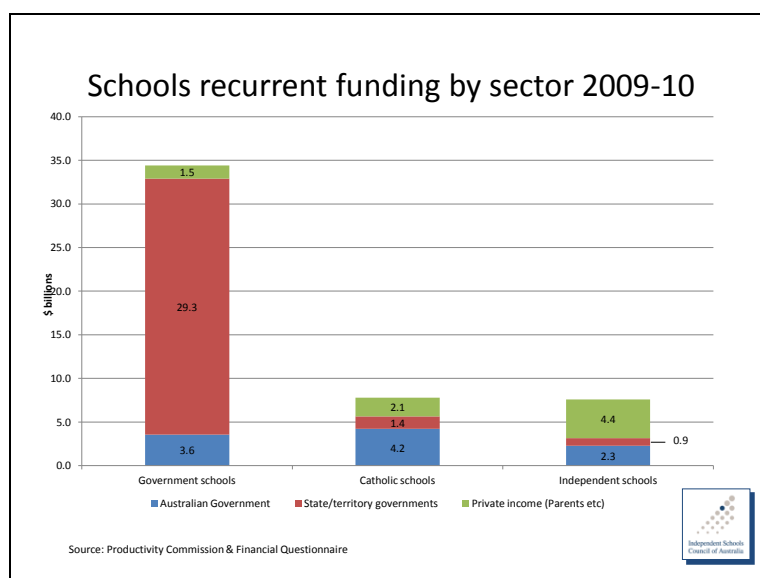
Income Level	Income Range	Population %	Independent (%)	Catholic (%)	Government (%)
Low income	\$33,799 or less	(19.7% of population)	8.1%	13.6%	78.2%
Middle income	\$33,800 - \$103,999	(56.1% of population)	10.6%	20.8%	68.6%
High income	\$104,000 plus	(24.2% of population)	23.9%	26.7%	49.4%

Source: ABS Census of Population and Housing 2006

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One of the messages to be taken from these data is that millions of parents and families in Australia want choice of schooling and they are prepared to pay for it from their hard earned after tax income. Many others can afford to pay for schooling and choose not to – that's fine. The monopoly of public schools option that is so strongly advocated by some in the public sector lobby is not a realistic option for the Australian way of life, and never was.

So let's have a look at who pays for schooling.



Average NRIPS, Government income and private income per student – average school amount

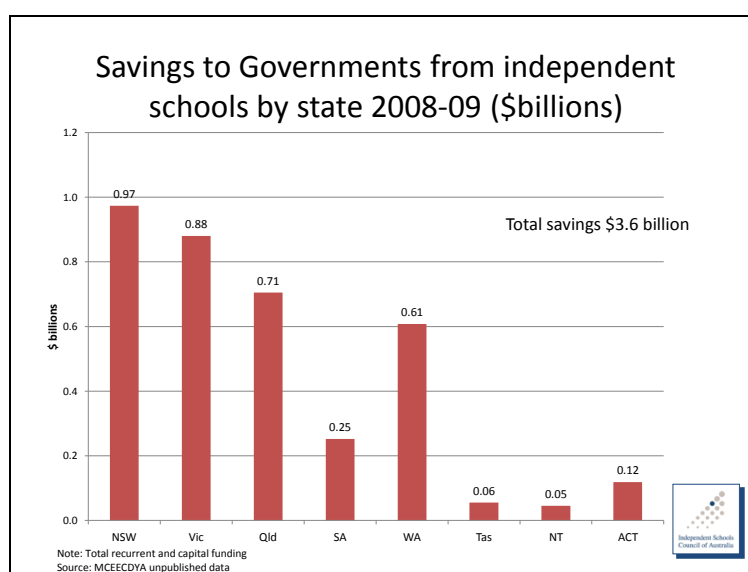
Net recurrent income per student		
Government	Catholic	Independent
\$11,132	\$9,697	\$13,748
Government income per student		
Government	Catholic	Independent
\$10,554	\$7,736	\$6,302
Private income per student		
Government	Catholic	Independent
\$645	\$2,846	\$9,028

Source: ACARA Financial Data – February 2011
 Excludes: 28 independent schools with data pending and government schools with zero enrolments or no AG recurrent income.
 includes some updated independent sector data for NSW, WA and ACT

These data exclude capital costs which in the non-government sector are largely met by parents.

The contribution parents make to the operation and infrastructure of independent schools results in significant savings to governments.

Most reasonable commentators reject the proposition that school funding is a zero sum gain whereby every dollar going to an independent school is a dollar lost to government schools. Given the time constraints today, I will let the figures speak for themselves. Clearly neither the Federal Government nor state and territory governments consider it is a zero sum game.



Based on Productivity Commission data, ISCA calculates that the total savings in government recurrent expenditure from students attending independent schools was some \$3.9 billion in 2009-10.


Parental and community investment in schooling is estimated to be 16 per cent of total expenditure on schooling in Australia. In the non-government sector, the decision by parents to make a significant contribution to their children's schooling is made by choice and

represents a partnership. This partnership clearly works considerably towards the common good.

**Projected enrolment change in all schools
2010 - 2020**

	2010	2020	Change (no.)	Equivalent no. of new schools*
Government Schools				
Primary	1,389,263	1,754,541	365,278	1,081
Secondary	893,094	942,649	49,555	147
Total	2,282,357	2,697,190	414,833	1,227
Catholic Schools				
Primary	390,532	492,573	102,041	244
Secondary	322,757	367,737	44,980	108
Total	713,289	860,310	147,021	352
Independent Schools				
Primary	230,532	302,722	72,190	149
Secondary	260,701	338,548	77,847	161
Total	491,233	641,270	150,037	311
All Schools				
Primary	2,010,327	2,549,836	539,509	1,474
Secondary	1,476,552	1,648,934	172,382	415
Total	3,486,879	4,198,770	711,891	1,890

Source: DEEWR Projections and ABS Schools Australia
*Based on average school size by sector for 2010 derived from ABS data.



My final point on the economic aspects of this debate relates to the future funding of schools. By 2020, it is projected that there will be an additional 700,000 students in Australian schools. This will require the equivalent of 1,800 new schools and 55,000 additional teachers. It will be a serious challenge for governments, Federal and State, to provide the financial resources to cater for these students.

Parents will continue to demand that diversity and choice of schooling options are available for their children.

ISCA estimates that if all the 700,000 additional projected enrolments by 2020 are educated in government owned schools, an additional \$9.5 billion pa will have to be found (at current cost levels).

By contrast, if the present proportion of government, Catholic and independent school enrolments is maintained, by 2020 the parents of these additional students could 'save' governments more than \$2 billion pa in addition to the extraordinary costs of land and buildings

for the equivalent of 1,800 new schools which will also need to be found.

OECD figures make it clear that expenditure on education in Australia as a percentage of GDP compares favourably with other OECD countries, thanks largely to our private effort.

The independent sector contributes significantly to the common good, partly because parents and school communities make such a huge contribution – financially and through other means. Parents and school communities should be encouraged to contribute to the costs of schooling and must not be penalised. Indeed, they should be applauded. Their efforts ensure that it is a good economic and social deal for the Australian community.

Social Benefits

To turn now to the social benefits of independent schools to the common good.

Independent schools have historically and continue to be established with the purpose of meeting the education needs of their communities. In doing so the independent sector is representative of the diversity of the wider Australian community and offers the choice for young Australians to be educated in schools that express the cultural, social and religious plurality of our society.

Independent school affiliations

Affiliation	Schools	Student FTE	%
Anglican	156	137,812	25.2%
Non-Denominational	188	72,100	13.2%
Christian Schools	136	53,757	9.8%
Catholic	64	50,702	9.3%
Uniting Church in Australia	43	49,289	9.0%
Lutheran	85	36,549	6.7%
Inter-Denominational	29	20,725	3.8%
Islamic	32	20,198	3.7%
Baptist	42	17,803	3.3%
Seventh Day Adventist	47	11,043	2.0%
Presbyterian	14	9,844	1.8%
Jewish	20	9,004	1.6%
Steiner School	42	7,515	1.4%
Pentecostal	16	6,838	1.3%
Assemblies of God	10	5,596	1.0%
Greek Orthodox	8	3,894	0.7%
Montessori School	39	3,955	0.7%
Brethren	8	4,025	0.7%
Other Catholic	8	3,469	0.6%
Other Orthodox	6	2,129	0.4%
Other Religious Affiliation*	11	5,033	0.9%
Other**	83	14,607	2.7%

*Other Religious includes Churches of Christ, Ananda Marga, Hare Krishna and Society of Friends
 **Other includes special schools, international schools, indigenous schools, and community schools.



Many independent schools are affiliated with Christian denominations. There are also Jewish and Islamic schools, schools that promote a particular philosophy of education such as the Montessori and Steiner schools, and schools that serve particular community groups, such as Indigenous community schools, students with disabilities, and students from regional and remote areas.

Sector diversity

Indigenous students	9,315
Independent schools with 50%+ indigenous enrolment	36
Students with disabilities	12,172
Special schools	57
Overseas students	8,378
Boarding students	16,829
Boarding schools	152
Schools with less than 200 students	39%
Schools with 200 – 1,000 students	44%
Schools with 1,000 – 2,000 students	16%
Combined schools (primary & secondary)	63%

Note: Figures include independent Catholic schools and enrolments



There is a long held consensus that education, and in particular the provision of schooling is of public benefit. Indeed, the Common Law has recognised this for over 400 years. The education of the

individual not only benefits that individual but the cumulative education of individuals benefits society as a whole.

Schools provide a benefit to individuals by equipping students with skills and knowledge to prepare them for life and employment, and a benefit to society by providing students with skills and knowledge to contribute to the social, civic and economic development of the nation. In this way, all schools, government, Catholic and independent, contribute to the common good.

The importance of this foundation of skills, knowledge and experience, and the associated social benefits of school education, can be expected to increase rather than diminish in an increasing knowledge based community.

These benefits to the individual and society are reflected in government policies relating to compulsory school attendance and the trend to extend the age range of compulsory attendance.

Each independent school contributes to the overarching public goals for schooling in Australia. It is a condition of their public funding that independent schools meet community standards in education, and commit to the *Melbourne Declaration on Educational Goals for Young Australians*. Along with other Australian schools, independent schools must participate in the *National Assessment Program*, implement the Australian Curriculum, ascribe to national values, publicly report school and student performance data and fully participate in national education initiatives such as the *MySchool* website and are obliged to support the Council of Australian Governments (COAG) outcomes for schooling which are set out in the National Education Agreement

Developing a uniquely Australian school education system

“Non- government schools provide choice via a wide range of religious, cultural or pedagogical beliefs and complement government schools....

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They provide a valuable educational counterpoint in policy and practice and are integral to Australian education....

These days only the most blinkered of advocates see government and non-government schooling as an either/or proposition.”

The Hon Peter Garrett MP, Minister for School Education. Address to the Sydney Institute, 12 April 2012



This was recognised by, the Minister for School Education, the Hon Peter Garrett, in a recent address to the Sydney Institute, ‘Non-government schools provide choice via a wide range of religious, cultural or pedagogical beliefs and complement government schools....They are a distinctive and valued part of Australian education....They provide a valuable educational counterpoint in policy and practice and are integral to Australian education.... These days only the most blinkered of advocates see government and non-government schooling as an either/or proposition.’²

Given that independent schools report to and are responsible to the community, an emphasis on fostering a sense of belonging, and listening and responding to the community in order to meet the needs of the community is at the very core of independent schools. Independent schools build social capital within their own communities through the development of networks among families and organizations within the local and international communities, and through the values that underpin the formal curriculum.

² The Hon Peter Garrett MP, Minister for School Education. Address to the Sydney Institute, 12 April 2012

It is the experience of schools in the sector that families are seeking out independent schools because of their focus on building community, creating a sense of belonging and engaging with the wider community, locally, nationally and internationally.


Although most independent schools are affiliated with a religious tradition numerous parent surveys indicate that religion is usually **not** the most important factor in choice of school. It is outweighed by educational excellence, teacher quality and a supportive caring environment; in short, the school's capacity to nurture students' full potential.

The most important reasons parents chose independent schools

Parents identified the following as significant factors in their decision to choose an independent school

- educational excellence
- good teachers
- a supportive caring environment
- good facilities.

Source: *Factors Affecting School Choice*, ISCA, 2008



Finally, it has been claimed that independent schools create intolerance and undermine social cohesion by reducing the opportunity for children from different social and cultural backgrounds to interact and develop an appreciation of diversity. According to this position, independent schools do not fully develop students as citizens for the common good.

This assumption is not supported by Australian and international research. Analysis of data from the Australian Survey of Social

Attitudes finds that people who attended independent schools do not express opinions that are less socially liberal or less tolerant of difference than people who attended government schools. On some issues, the opposite is the case. People who attended independent schools actually have higher rates of civic participation than people who attended government schools.³

The tired argument that independent schools are, by their very nature, divisive, lead to social and religious segregation, and undermine social understanding and cohesion just does not stand up to scrutiny.

Conclusion

In conclusion, there is considerable evidence that independent schools make a significant contribution to the common good in Australia. This public benefit is accrued through the positive social, civic and economic outcomes that independent schools, as community focused organisations participating in the public goals of education, contribute to both individuals and to society as a whole.

Thank you.

³ Australian Survey of Social Attitudes (AuSSA) (2005), Australian Social Science Data Archive