

**FOR THE NATIONAL SCHOOL REFORM AGREEMENT
MINISTERIAL REFERENCE GROUP
PRESS RELEASE 988**

The National School Reform Agreement is a joint agreement between the Commonwealth, States and Territories to lift student outcomes across Australian schools.

Initiated in 2013, in the last decade it has proved a dismal failure. On international standards, educational ‘outcomes’ from our Australian schools have declined and the levels of inequity between both the educational institutions and social groups have increased. Our unequal education systems are producing a class based, oligarchic as opposed to a democratic society.

DOGS consider that this is largely because of the failure of the State Aid to private schools experiment commenced in 1964 and the return to the much discredited denominational system of the eighteenth and nineteenth centuries. This return to the failures of the past has been exacerbated by the neo-liberal economic paradigm with its privatisation of public facilities agenda espoused by both the Labor and Coalition Governments since the 1980s.

Yet all Government enquiries established to solve the ‘educational equity’ problem since the Karmel Committee of 1973 have, including the present case, through their terms of reference, been discouraged from confronting the underlying funding issues. Inequity necessarily accompanies public subsidisation of powerful private, religious bureaucracies along with the financial and political entanglement of religion with the State.

Such policies have continued to bedevil all attempts to ameliorate educational inequity and have led to the current educational crisis.

The current Terms of Reference of the National School Reform Agreement Ministerial Reference Group are no exception. They address the results rather than the cause of current crisis in Australian Education, namely, the public funding of irresponsible private religious bureaucracies. The only Term of Reference which mentions funding assumes the continuation of funding a dual system of education and is only concerned with accountability and transparency issues. And even then the only funding amounts considered are the \$20 +billion in direct federal and State grants to private religious schools, not the billions in tax exemptions enjoyed by private but not public institutions.

This Term of Reference also assumes that public accountability and transparency for public funding of private education bureaucracies and their

schools is a possibility. It has not proved to be so for the past seven decades and there is no likelihood of it ever being the case when public funds are given to powerful, private religious interest groups.

Only public funding of public schools administered by a public administration answerable to Parliament can guarantee public accountability and transparency.

Moreover any policy espousing equality of opportunity is doomed to failure while there is public funding of a dual system of schools with diametrically opposed objectives.

The public system is public in purpose and outcome, above all public in access to children and employees; public in ownership and control and publicly funded and accountable.

The private system on the other hand is private in purpose and outcome, selects children on the basis of class creed or even colour; is privately owned and controlled and accountable to its private clientele. It espouses a philosophy of 'choice' for those who can afford it, and an extreme market ideology which plays havoc with the opportunities of vulnerable families and children.

Yet this long outdated sectarian system has been publicly funded, generously and at the expense of the public system, for the last seven decades.

It follows, as night follows day, that we are confronted in Australia with growing inequality, sectarian divisions, duplication of facilities a mushrooming education bill, and declining international standards.

The DOGS argue that the real cause of the current crisis is the public funding of private schools themselves. This has reached a crucial tipping point, a return to the 1860s when it looked as if the denominational system would undermine the public system to a point of terminal decline. Our forefathers had the temerity to confront and withdraw funding from the denominational system. But our current leaders do not even have the intestinal fortitude to recognise it as a problem.

But a fundamental problem it certainly is.

The Australian Education Union, in a recent Press Release entitled *Damning evidence of massive private school overfunding* described the gross inequities in the current funding system.

The full extent of the inequity in Australia's school funding system has been exposed, with internal Department of Education figures showing a massive overfunding of private schools. The figures are included in a departmental briefing prepared for witnesses appearing before Senate Estimates, publicly released through freedom of information.

The briefing states that 1,152 private schools will be overfunded to the tune of \$3.2 billion over and above their public funding entitlement under the Schooling Resource Standard. This overfunding contributes to the overall inequity of school funding which sees more than 98 per cent of private schools funded by the Commonwealth and state and territory governments above the SRS and over 98 per cent of public schools funded below the SRS, the education funding standard agreed to by all Australian governments in 2012. The following comments are attributable to Correna Haythorpe, Australian Education Union Federal President:

We cannot continue to accept the deep inequity in school funding in this country, where private schools are overfunded by billions, and public schools are underfunded by billions. It is public schools that enrol the vast majority of Australian students, and it is public schools that enrol disproportionately higher rates of students with additional needs, students that experience disadvantage and students with disability.

If the Commonwealth and state and territory governments can afford to overfund private schools, they can afford to fully fund public schools.

If all Australian public schools had 100 per cent of the Schooling Resource Standard then students from all backgrounds would benefit from smaller class sizes, additional teachers and more resources.

The Albanese Government must deliver on their election promise and deliver the pathway to full and fair funding for public schools as soon as possible.

The DOGS wish to go further than the AEU who have not questioned the public funding of a dual system, but only the underfunding of the public system.

DOGS recommendation to the Reference Group is as follows:

Any private school which receives the resource standard in public funding or exceeds that standard should have that funding withdrawn if :

- 1. The school charges fees**
 - 2. The school rejects the enrolment of any child in the local area**
 - 3. The school discriminates against any employee.**
- In addition,**
- 4. The school's assets should pass into public ownership and control (th infrastructure as well as teacher salaries are now publicly funded in many private sector schools)**
 - 5. The school's funding should be administered and accounted for by the relevant Department of Education.**
 - 6. If the school does not accept these conditions, then its administrators may decide to be registered by the relevant authority but genuinely independent of public funding.**

WHY HAS AUSTRALIA REACHED THE CURRENT INEQUITABLE STATE OF AFFAIRS?

On 12 December 1972, the Interim Committee for the Australian Schools Commission was appointed by the Hon. E.G. Whitlam, Prime Minister of Australia.

The Committee was asked to *‘make recommendations as to the immediate financial needs of schools, priorities within those needs, and appropriate measures to assist in meeting those needs.’*¹

The ‘Needs’ policy was articulated and the principle of ‘Equality’ defined by the Committee as follows:

The Committee values the principle that the standard of schooling a child receives should not depend on what his parents are able or willing to contribute directly to it, or whether he is enrolled in a government or non-government institution. It believes that if incomes are to continue to be as unequal as they now are, there are good reasons for attempting to compensate...through schooling for unequal out-of-school situations in order **to ensure that the child’s overall condition of upbringing is as free of restriction due to the circumstances of his family as public action through the schools can make it.**²

It was the first time that this objective had been articulated in Australian educational history. In the nineteenth century elementary education had been extended to all along with the franchise, but secondary education was for those who could pay or obtain scholarships. In the twentieth century secondary education for all was a matter for keeping up with international developments, but tertiary education always has been and still is for the winners in what has always been an unequal relay race.

Forty years later David Gonski articulated the ‘equality’ or ‘Needs’ principles even more strikingly. Referring to his 2011 ‘Gonski Review of School Funding’ Report in 2014 he said:

We delivered the Gonski report in December 2011. In it we set out our recommended funding arrangements whose aim was to produce improved educational outcomes for all Australian students, and also to seek **to ensure that educational outcomes in Australia were not the result of differences in wealth, income, power or possessions.**

This last point became our definition of ‘equity’, and was central to our thinking. All of us on the review panel were very moved by what we saw in the many site visits we made and what we heard from the experts we spoke to. Everything supported existing research, which showed a large gap between Australia’s highest and lowest performing students and also a clear link between low achievement and educational

¹ *Schools in Australia, Report of the Interim Committee for the Australian Schools Commission*, May 1973, p. 3

² *ibid* p. 11

disadvantage, especially among students with low socioeconomic and Indigenous backgrounds.

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If Karmel and Gonski sincerely believed that they could make a difference, they were proved mistaken. The history of 'equality' in Australian education is, amongst other things, the history of the failure of a social democratic Post World War II enterprise to tackle the ever growing gap between the education of the wealthy, privileged classes, the upper 10% or even 1% and the 'disadvantaged' in the lowest quartile.

THE FAILURE

In 1973 the Whitlam government did not control the Senate. Two compromises were made in order to establish the Schools Commission. Commonwealth funding of resource-rich (wealthy) schools was continued and the Catholic Church was given block grants to administer. A consequence was that system expansion rather than the funding of the poorest schools often occurred. Both of these compromises diminished the potential of the Schools Commission to support its social justice objectives.⁴ In 2010 Gonski confronted similar problems when he was instructed that 'no school would lose a dollar.'⁵

³ Jean Blackburn Lecture 21 May 2014 at

<https://www.theguardian.com/world/interactive/2014/may/22/david-gonski-jean-blackburn-orator-speech-in-full> accessed 09.10.2020.

⁴ In 1982, after his chairmanship had not been renewed, Dr. McKinnon, said:

It, (the 'needs' policy) is not illegal, just slippery....It expected everybody to play the game by the declared rules...It's like income tax – everybody maneuvers themselves to benefit in the best possible way. *National Times* 29 August-4 September 1982.

McKinnon also said it was impossible to penetrate what was happening in the NSW Catholic system. O'Brien, Report of an interview with Dr. McKinnon, 1994 in *Blazing a Trail: Catholic Education in Victoria, 1963-1980*, 1999, p.141

Jean Blackburn resigned in 1980 and when Dr. Ken McKinnon was not reappointed by the Coalition Government, she said:

It is the end of an era...in which we thought education could contribute something very significant to the enlightening of society. Richard Scherer, 'Head of Schools Body Not Being Reappointed,' *Canberra Times*, 4 December 1980, p. 8.

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https://www.apf.gov.au/About/Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2012/August/More_funding_for_all_schools_and_update_on_Gonski accessed 29 October 2020

By 2020, fiscal integrity alongside inequities affecting disadvantaged children in the Australian community have been exposed, by a series of International OECD and UNICEF Reports on inequalities and segregation in Australian education;⁶ Auditor General Reports;⁷ the National School Resourcing Board Review of Needs-Based Funding;⁸ research by various policy and research groups;⁹ reporters in the Fairfax Press¹⁰ and the ABC¹¹; and the pandemic.

A growing body of evidence indicates that the primary educational objective of the private systems of Australia have never been meeting the ‘needs’ of disadvantaged children in their care. Their aim has been what Malcolm Turnbull, in his recent Memoir has described as maintaining ‘enrolments in middle-class areas’.¹² If this is the case, the non-Catholic denominations and not the major Catholic systems have been the big winners.¹³

⁶ *OECD Report on Worldwide education indicators: PISA results 2018 : Effective Policies, Successful Schools (Vol V)*. According to this Report Australia is ninth-worst of 77 countries for the equitable allocation of resources between disadvantaged and advantaged schools. Only Colombia, Panama, Peru, Cyprus, Philippines, Mexico, Brazil and Thailand rank lower. Australia is also 15th in the OECD is spending per student, behind countries including Norway, US, Iceland, Sweden, Belgium, Morea, Finland, UK and Singapore. Australia scores almost five times worse than the OECD average in terms of the unequitable allocation of resources to disadvantaged schools. The Report also shows IT access for students from disadvantaged backgrounds has gone backwards since 2015. and UNICEF Reports....

⁷ Auditor General Reports:

⁸ National School Resourcing Board Review of Needs-Based Funding, December 2019 accessed 14.09.2020 at <https://docs.education.gov.au/node/5342>

⁹ Grattan Institute; The Gonski Institute; Save Our Schools. Lyndsay Connors articles in John Menadue’s Pearls and Irritations at https://johnmenadue.com/part-1-education-policies-over-the-decades-have-intensified-socio-economic-segregation/?mc_cid=f8408db7df&mc_eid=1b851cb851 and <https://johnmenadue.com/part-2-society-bears-costs-of-education-policy-crimes/>

¹⁰ Age Reports:

¹¹ ABC <https://www.abc.net.au/news/2020-09-02/how-the-catholic-school-system-takes-from-the-poor/12588920?nw=0>

¹² Malcolm Turnbull, *A Bigger Picture*, Melbourne 2020 p.530 Turnbull reported on a discussion with Archbishop Fisher. He wrote: The conversations and written exchanges with Fisher were some of the most unedifying and disappointing I’d ever undertaken with a Church leader. It all became very clear. We’d been misled, perhaps by our own naiveté, into thinking the Church would allocate funding strictly according to need. I’d always assumed some of the parents’ fees paid to a Catholic school in my electorate went to subsidise a school in a poorer area. But not so. I could only assume that the objective of the Catholic system was to maintain enrolments in middle-class areas. And the way they did it was by keeping fees lower than equity, as we’d understand it, would dictate. At one point, for example, Fisher argued schools in my electorate were needier than our estimates because the parents had bigger mortgages.

¹³ See Enrolment statistics on Independent Schools website at

Karmel's Explanation of Failure:

In 1998, twenty five years after his much publicised Report, Peter Karmel, an erstwhile economist, was the honoured speaker at an ACER Conference entitled *1998 - Schools in Australia: 1973-1998 The 25 years since the Karmel Report*.¹⁴ Reflecting on these years he said:

The period since *Schools in Australia* was published has been one of great change: We now live in **an economy with a strong market orientation** and one which has undergone **an information-technological transformation**.

The economic paradigm has undergone a quantum shift: from the ideal of a mixed economy of the post World War II era to one subject to the principles of 'economic rationalism'. This has been accompanied by a decline in the willingness of governments to devote resources to education.¹⁵

He completed his talk with the statement that if Australia wished to raise retention rates to 100% and add a system of entitlement to a quantum of post-school education, then the community

Will have to be willing to devote more resources to education. The price of this may well be higher taxation. We need to signal to governments that, if the price is higher taxation then so be it.¹⁶

At the same Conference Bob Lingard from the University of Queensland pointed to the simple fact that the problem of injustice in education had not been solved. He said:

I am ..convinced that this is not just a problem for the 'disadvantaged.' **Perhaps the greatest weakness of compensatory education was its centrifuging tendency, the way it turned our eyes away from the education of the privileged.**

I consider that a privileged education is, by the very fact or privilege, a corrupt education. For too long we have let the privatisers persuade us that there is something admirable about grabbing more resources than your neighbour has. An education designed to select and exclude, and to give advantages in this selection and exclusion, undermines the moral basis of communication, culture and social life. ...¹⁷

As Lingard noted, at no point since 1973 have high fee schools been confronted or lost a dollar of public funding. Nor has any politician successfully confronted

¹⁴ https://research.acer.edu.au/research_conference_karmel/1/ The conference was organised by the Australian Council for Educational Research to honour Professor Peter Karmel in his concluding year as Chair of the ACER Council and Board of Directors. 2

¹⁵ Peter Karmel, 'Past Present and Future, Paper given to the ACER Conference , Ibid. p. 8

¹⁶ Ibid. p. 19

¹⁷ Ibid.

either the schools for the wealthy or the use of block public funding with minimal accountability by the major private sector – the Catholic church.

Neither Karmel nor Gonski solved the inequality problem in education. They were unable to make unequally wealthy institutions permitted to select children on economic or any other criteria, equally available to all children . Neither of them were permitted by their terms of reference, to confront the ‘privileged’ as well as the ‘disadvantaged’.

The media in recent years however, have exposed the shenanigans of the students, teachers and headmasters of a handful of wealthy Australian schools together with an analysis of their asset portfolios.

So have a number of twentieth first century political economists

Twenty first century political economists:

Educational systems both reflect and influence social, political and economic development. Karmel, and to a lesser extend Gonski knew that. But Commissions of enquiry have concentrated on education for the poor rather than that of the privileged, the upper one and ten percent.

In a parallel universe to academic historical enquiry, another literature takes up the challenge of exploring the global history of inequality for the upper one and ten percent, attempting to identify forces of levelling or increasing distribution of income and wealth across recorded history. Until recently this may have been a niche study, but since the turn of the century it has become a subject of intense international study.

At least one Australian academic turned policy adviser and politician, Andrew Leigh, has taken up this challenge. He asks the question : *What drives inequality in Australia?* in a series of academic articles¹⁸ and in his 2013 *Battler and*

¹⁸ A.B. Atkinson and Andrew Leigh, *The Distribution of Top Incomes in Australia*, 2006 at <http://andrewleigh.org/pdf/TopIncomesAustralia%20%28old%29.pdf>; Clark, Gregory & Leigh, Andrew & Pottenger, Mike, 2020. "**Frontiers of mobility: Was Australia 1870–2017 a more socially mobile society than England?**", *Explorations in Economic History*, Elsevier, vol. 76(C) ; Gregory Clark & Andrew Leigh & Mike Pottenger, 2017. "**Immobile Australia: Surnames show Strong Status Persistence, 1870-2017**", *CEH Discussion Papers* 07, Centre for Economic History, Research School of Economics, Australian National University. A B Atkinson & Andrew Leigh, 2010. "**The Distribution of Top Incomes in Five Anglo-Saxon Countries over the Twentieth Century**", *CEPR Discussion Papers* 640, 2010, Centre for Economic Policy Research, Research School of Economics, Australian National University; Andrew Leigh, *How can we Reduce Inequality?* ANU Crawford School of Public Policy, April 20 2017 at <https://crawford.anu.edu.au/newsevents/podcasts/audio/9857/how-can-we-reduce-inequality-dr-andrew-leigh> ; Andrews Dan & Jencks Christopher & Leigh Andrew, 2011. "**Do Rising Top Incomes Lift All Boats?**", *The B.E. Journal of Economic Analysis & Policy*, De Gruyter, vol. 11(1), pages 1-45, January. Accessed 27.08.2020

Billionaires.¹⁹ Leigh, who is currently a Minister in the Albanese Government, was an economics professor at the ANU, not an historian. Yet his book presents a socio-economic interpretation of Australian history.

He argues that, after more than century of high inequality – from English settlement to World War 1, inequality in Australia – as in many other parts of the world – fell for about half a century. He calls this ‘The Great Compression’. But, in the past generation, since about 1980, Australia’s level of inequality now ranks towards the upper end. This is known as the ‘Great Divergence’. A recent OECD comparison finds that Australia has the nineteenth highest level of inequality among forty nations. South Africa and the Latin American countries tend to be among the most unequal, followed by English speaking nations (with the USA leading that group) The most equal of all are the Scandinavian nations.

Australian economists tracing the history of inequality are part of a much wider global academic movement, including Andrew Leigh’s collaborator and mentor, the late A.B. Atkinson at Oxford. Thomas Piketty at the School of Economics in Paris;²⁰ Joseph Stiglitz, the Chief economist at the World Bank until January 2000 and Columbia Business School;²¹ New York, and Harvard; Paul Krugman from City University of New York and columnist at the New York Times;²² and

¹⁹ Andrew Leigh, *Battlers and Billionaires: The Story of Inequality in Australia*, Redback, 2013 was Professor of Economics at the Australian National University from 2004 to 2010. Principal Adviser at the Australian Treasury from 2008 to 2009. Elected to the House of Representatives for Fraser, Australian Capital Territory, 2010. Re-elected 2013. Elected to the House of Representatives for Fenner, Australian Capital Territory, 2016, following electoral redistribution. Re-elected 2019, p. 84.

²⁰ Thomas Piketty, *Capitalism in the Twenty First Century* (2013) translated by Arthur Goldhammer 2014, Harvard University Press; *Capital and Ideology*, 2020, translated by Arthur Goldhammer. Piketty argued in *Capitalism in the Twenty First Century* that over the past century, the rate of return on capital (r) and existing wealth, owned disproportionately by the rich, had exceeded the rate of growth in the economy (g) as a whole. That had created a chasm of inequality comparable to what existed during the Gilded Age, before the gilding was removed by two cataclysmic world wars and the Great Depression. This formula for Piketty however, is only valid if proved with academic rigor and data.

In *Capitalism and Ideology* he sets out not only to describe capitalism but also to “transcend” it. Piketty both diagnoses and prescribes: he tries to expose the contradictions of the reigning ideology of “hypercapitalism” and its malign consequences (including a populist-nativist backlash), and, to stave off disaster, recommends a breathtaking series of reforms. They include a schedule of taxation on income and wealth that reaches ninety per cent and the elimination of nation-states in favour of “a vast transnational democracy,” which will secure “a universal right to education and a capital endowment, free circulation of people, and de facto virtual abolition of borders.”

²¹ Joseph Stiglitz, *Globalisation and its Discontents*, (2002), *The Roaring Nineties*, (2003) *Making Globalisation Work*, *Freefall*, (2006), *The Price of Inequality* (2012) *The Great Divide: Unequal Societies and What We can Do about Them* (2015) *People, Power and Profits: Progressive Capitalism for an Age of Discontent* (2019); *Measuring What Counts: The Global Movement for Well-Being* (2019).

²² Paul Krugman, *Arguing with Zombies, Economics, Politics, and the Fight for a Better Future*, (2020) London; [End This Depression Now!](#) (April 2012) ; [The Return of Depression Economics and the Crisis of 2008](#)

Robert Gordon²³ an economic historian from North western University. All the above writers look into the entrails of their graphs describing the scale of the problem. Talk about the 99% and the billionaire 1% has become entrenched in public debate. They all agree that, although inequality was curbed in the decades after World War 11, since 1980 it has returned with a vengeance. But they are not skeptics. They argue that unequal societies do not function effectively and their economies are neither stable nor sustainable.²⁴And Levels of inequality impact the economy, the health of individuals, the cohesiveness of society and the proper functioning of the polity. ²⁵They wish to influence policy, ²⁶rather than predict the future. For them, inequality is not and never was, inevitable.

DOGS argue that the reduction of inequality in the society is in part dependent upon a publicly funded public system which is not undermined by a publicly funded divisive denominational system.

The Current Enquiry into the Australian Education System

will merely continue the descent of Australian education into rising inequalities and decline if it fails to confront the sectarian nature of the religious bureaucracies which, grown fat on public funding have become centralised, aggressive lobby groups. They leap into action when favoured funding and expansion of the denominational system is under threat. Their credibility is in decline and the majority of Australian families who are more than happy to send their children to the public schools have had enough.

The teachers have not only had enough. They are walking away.

The media have covered the extraordinary greed of the wealthy private sector with gusto, but they failed to cover the shenanigans of the religious school interest in the DOGS High Court case of 1979-1980. In this case the church school interest argued, in a Trial of Facts lasting 26 days that they were no more religious than State Schools. Yet, for more than a century they had argued

(December 2008); [The Conscience of a Liberal](#) (October 2007) [The Great Unraveling: Losing Our Way in the New Century](#) (September 2003)

23 Robert J. Gordon, *The Rise and Fall of American Growth: The U.S. Standard of Living since the Civil War* (2017) Princeton University Press. Robert J. Gordon is an economic historian at Northwestern University.

²⁴ J. Stiglitz, *The Price of Inequality*, (2012) Allen Lane, p 93

²⁵ R. Wilkinson and K. Pickett, *The Spirit Level: Why more Equal Societies Almost Always do Better*, (2009)p. 19

²⁶ See Report of the Senate Community Affairs References Committee, *Bridging our Growing Divide*, December 2014.

that this set them apart from the public system. (See J. Ely [*Contempt of Court* 2011](#))

If however, they were correct, and religious values did not underpin the difference between the sectarian and the public system, then

Why have them at all?

Given the effect of the sectarian denominational system on the growing inequalities in our society, why provide them with taxpayer funding that enables them to exacerbate religious division and social inequalities, while downgrading and, in some cases, depriving communities of a public school?

Australia has become an outlier in the international educational stakes with its overfunding of the wealthy sectarian sector. This has proved not only divisive and expensive. It has also led to a decline in educational standards on an international level.

It is time for the current enquiry to confront real funding issues that prioritise the choice of children for a well funded public education system open to all, rather than tolerate the funding of systems which choose children on the basis of class creed and ability to pay.