

Australian government to pour billions into private schools

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18 October 2000

The Howard government's States Grants (Primary and Secondary Education Assistance) Bill 2000, set to be passed by the end of the year, delivers a calculated blow to public schools and further encourages the privatisation of education. Multi-million dollar handouts will be extended to Australia's wealthiest private schools, the Bill's major beneficiaries. Religious schools will also receive significant funding increases. Government schools, on the other hand, will continue to face declining budgets.

The federal government's four year \$22 billion education budget allocates the bulk of funding—\$14 billion—to private schools while public schools, with 70 percent of students, receive \$7.6 billion. The 62 most privileged private schools, enrolling just 5.6 percent of students, will be handed an additional \$46 million.

Spelled out in terms of school resources, the King's School in the Sydney suburb of Parramatta, with its 15 cricket fields, five basketball courts, a 50-metre swimming pool, indoor rifle range, gym and fees of \$11,600 a year, will reap an extra \$1.5 million a year under the Howard government's new scheme, bringing its total federal government funding in 2004 to almost \$3 million annually.

The Malek Fahd Islamic School, also in Sydney, is built on land bought with a \$12 million gift from the King of Saudi Arabia 10 years ago. It scoops \$7.5 million more from the federal government under the new formula.

By contrast, the Bill allocates government schools an average increase of \$4,000 each annually, although state education authorities dispute even this paltry amount. They claim that, because of price increases, government schools will receive no real extra funding. Moreover, under the 1996 Enrolment Benchmark Adjustment (EBA) formula, many will actually lose. The EBA reduces federal government funding to public schools if their share of student enrolments fails to keep up with that of private schools—even if their actual numbers increase. Under the EBA, public schools lost \$11.9 million in 1998, \$21.1 million in 1999 and stand to lose an estimated \$27 million this year.

The States Grants 2000 Bill accelerates a process pursued

by both Liberal and Labor state and federal governments over the past 15 years of encouraging the growth of private schools at the direct expense of public schools. Twenty years ago, 50.8 percent of federal funds went to public schools. By 1996, after 13 years of Labor government, this had declined to 41.5 percent. By 2004, only 35 percent of federal funding will go to public schools. In the last five years alone, federal and state government funding to private schools has increased by 23.5 percent in real terms, while public schools have had their funding cut by 5 percent.

The new Bill is aimed specifically at benefiting private schools. Currently, private school funding is determined by the “education resource index” (ERI), which ranks schools in categories from 1 to 12, with the wealthiest scoring 1. The ERI, in theory at least, limits how much the government can hand over. The greater the school's wealth from bequests, corporate donations, fees or other private income, the lower the government subsidy.

Under the new Bill, however, these funding caps will be scrapped. From next year, neither a school's financial resources, its facilities or the fees it charges will bear any relationship to the amount of government funding it receives. Federal education minister, David Kemp, vetoed calls for a school's earning power and assets to be taken into account, saying parents should not be penalised for maximising “their investment in their own school.”

Even the most affluent private schools, those in Category 1 under the ERI, have been guaranteed an increase under the Howard government's “no losers” policy. Previously allocated 12 percent of the Average Government School Recurrent Costs (AGSRC), the new Bill will guarantee them 13.7 percent, an estimated yearly windfall of \$800,000 extra for each school in the top category.

But it is the elite schools enrolling boarders from rural areas that have attracted the lion's share of government funds. They stand to benefit under a formula that rates the socio-economic status (SES) of the area in which each pupil lives. Multi-million dollar handouts will be passed on to schools catering to wealthy families living in poorer areas.

As one letter-writer to the *Sydney Morning Herald* commented, "Here's the scenario: Countrytown has 100 households. Ninety-seven of those households have an income of \$15,000 each... The other three have a family income of \$200,000... Now at the King's School there are three boarders from Countrytown. Kemp picks up his census data and sees that Countrytown has an average household income of \$20,550. 'There you are,' he says. 'I told you that it wasn't only the wealthy who send their children to private schools. We must kick a bit more the King's School's way.'"

The SES formula is designed to encourage the explosive growth of tiny religious schools that has been underway since deregulation in 1996. Those in lower socio-economic areas will reap rich rewards. For example, the Obadiah Christian College with 12 students gets a funding boost from \$43,409 to \$63,352 while the Coffs Harbour Bible Church School with eleven students will see its funding double to \$43,056. The Thomas Moore School with nine students will get \$33,415.

Government funding for the 143 primary students from Auburn Seventh Day Adventist School, located in a low-income Sydney suburb with a high migrant population, will rise from \$271,130 under the ERI to \$592,673 under the SES by 2004. The Mountain View Adventist College will be awarded, for its 274 students, an increase from \$602,000 currently to \$1,133,472 by 2004.

The generally poorer Catholic schools, making up 60 percent of private schools, have reached a separate funding settlement with the Howard government. They will be placed on Category 11 of the ERI and furnished with an \$800 million funding boost.

Kemp has attempted, with little success, to sell the government's education Bill as "fairer," pointing to its use of socio-economic data in calculating payments. In fact it is precisely the schools catering to the wealthiest, and most politically conservative, layers that will have their funding determined by the SES formula.

The States Grants Bill widens the already high disparity between education resources available to students in government and private schools, guaranteeing a continuing hemorrhage of students from public schools. Statistics released by the New South Wales State government yesterday reveal a 3,000 decline in public school enrolments this year alone. In Sydney's eastern suburbs, almost two thirds of students attend private schools, while less than half the students in the inner and northern suburbs go to public schools.

The AGSRC, or national average cost of educating a student at a government school, is calculated at \$4,500 for primary students and \$6,000 for secondary students. Private school students will be allocated a proportion of these

amounts. Even a ~~student~~ who lives in an affluent suburb and attends a non-government school at the top of the scale will be allotted at least \$1,200 annually from the government.

Private schools that attract students from poorer suburbs will receive a guaranteed minimum funding of \$4,368 for each primary student and \$5,721 for a high school student, in addition to state government funds and private fees.

Public schools in the lower socio-economic areas will increasingly be unable to compete. The private schools will be able to cream off high achievers by selective enrolments and scholarships, leaving those public schools with the least resources to cope with the most disadvantaged students.

As public schools lose ground, parents are placed under increasing pressure to pay the hefty fees and enrol their children in private schools, which then attract a greater share of government funding. The public schools decline further.

Having plunged the public school system into a cycle of deepening crisis, the government is using the situation to encourage public debate over the introduction of a "voucher" system, under the banner of providing parents with the right to "choose" what type of school their child should attend.

Referring to popular opposition to the government's new Bill, Jennifer Buckingham, policy analyst for the right-wing think-tank, the Centre for Independent Studies, argues in a recent paper, "School Funding for All", that the current row "reinforces the need for a common system of school funding." Buckingham calls for "a voucher system where parents are given an annual bursary to spend on their child's education in the school of their choice."

The head of Brisbane's Anglican Church Grammar School, David Scott, complained that the States Grants Bill 2000 "did not go nearly far enough." Wanting parity with the funding given to government schools, he described the proposed funding boost as a "first small step towards providing parents with a level playing field."

Writing in Tuesday's *Australian Financial Review*, Alan Kohler, director of a Melbourne private school, described the new funding formula as a step towards "the system that Kemp probably really wants—vouchers going directly to parents, the dream of free-market education reformers all over the world."



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