

# Australian Labor Party votes for Bill to boost wealthy private schools

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13 December 2000

Just before the federal parliament shut down for the year in the early hours of December 8, the Australian Labor Party voted with the Howard government to pass an education funding Bill that showers the most exclusive private schools with millions of dollars in additional funding.

The \$22 billion States Grants (Primary and Secondary Education Assistance) Act 2000 is a watershed in the creeping privatisation of education. Almost two-thirds of the money in the Bill—\$14 billion—will go to private schools, in which 30 percent of students are enrolled. In addition, the Bill contains a range of further measures to benefit private schools.

Public schools, with 70 percent of students, will get \$7.6 billion, or around \$5 extra per student, per day. This is a funding cut when inflation is taken into account, thereby further diverting resources from government schools and accelerating their transformation into schools of last resort for those unable to pay private fees.

Despite wide-ranging expressions of hostility from teachers, parents and students, Labor maintained its long-standing refusal to block the legislation in the Senate, where the government is in a minority.

“The whining, snivelling inadequacy of the Federal Opposition could not be better demonstrated than by their mealy-mouthed attitude to the socially divisive education funding Bill currently before Federal Parliament. This surely has to be a crunch issue on which Labor, if it seeks to retain any credibility as the party that represents ordinary Australians, must stand or fall,” declared one letter writer to the *Sydney Morning Herald*.

“We are aghast at the Labor Party's lack of commitment,” a government school principal said. “We were promised by [Labor opposition education

spokesman] Michael Lee that they would stand firm on the elite private schools and they didn't.”

NSW Secondary Principals Association spokesman Chris Bonner rejected Labor's claim that the Bill had to be passed before Christmas to ensure funding for both public and private schools. Public schools were prepared to go without government funding for a few months to achieve a “more equitable” funding formula in the long term, he stated. “We sustain a substantial amount of damage now by inequitable funding.”

Labor's real concern was that by joining the minor Senate parties in blocking the Bill it might provoke a funding crisis that could trigger wider opposition to the offensive against public education. The blatant inequality of the Bill had aroused popular disgust.

Some of the most prestigious private schools will obtain multi-million dollar handouts, including Pymble Ladies College in metropolitan Sydney. With four rebound ace tennis courts, a swimming pool, a music centre, an extension centre for gifted and talented children and a studio theatre, it will obtain an additional \$1.4 million a year. Pembroke, a private school in South Australia that boasts an auditorium, a swimming pool and a boathouse, will receive an extra \$1.9 million per year.

Such windfalls are the result of the Act's new funding formula, termed the Socioeconomic Status (SES) model. The SES is calculated by matching the address of a student's parents to “collection districts” established by government statisticians. The districts are assessed on their average income, education and employment levels. The overall funding to a private school is measured by how many of its students live in each district.

The SES formula assumes that the average wealth of a district correlates to the average wealth of individual

families. This is proving to be a goldmine for elite schools that enrol boarders from rural areas and schools catering to the rich who live in poorer areas. Altogether, Australia's 62 wealthiest schools will be handed an extra \$50 million a year under the SES formula. By contrast, the generally poorer Catholic schools will receive increases averaging just \$60,000 a year.

Under the previous funding system, the Enrolment Resources Index (ERI), private schools were assessed by their wealth and, in theory at least, funded according to need. Rich schools will benefit under the new system, even where they do not gain from the SES formula. Private schools in wealthy areas will receive a funding hike from 12 percent to 13.7 percent of the Average Government School Recurrent Costs. Funding benefits will also flow to tiny religious schools, encouraging their proliferation.

The Act contains other measures designed to boost private schools and punish government schools. New private schools will be allocated “establishment grants” of \$500 per head, regardless of need. “Emergency assistance” funding for private schools in financial difficulties will increase from \$614,000 in 1999 to \$2 million in 2001-2002.

Moreover, the funding increases have no strings attached. Private schools are under no obligation to reduce their fees or take on students with learning difficulties or other disabilities. Some of the most exclusive schools have already unveiled fee increases for 2001.

Because the SES adopts a system of “individualised” funding—based on the student—it represents a step toward the introduction of a “voucher” system, whereby parents will be credited with a sum of money with which to purchase their children's education. The continual running down of government schools will be used to pressure parents into transferring their children to private fee-paying schools.

The Act further undermines public education by reducing funding to students with disabilities in government secondary schools and by strengthening the federal government's authority to cut funding to schools failing to reach benchmarks and performance targets. Under-funded public schools will thus be penalised for their inability to match wealthier schools, driving more parents into the private sector.

Federation of Parents and Citizens' Associations of NSW president Beverly Baker warned of a community backlash against the Labor Party. “The 600,000 parents of students in New South Wales government schools will be horrified and offended to learn that the Federal Labor Party intends to support the socio-economic status school funding model introduced to the Parliament by the Minister for Education, Dr Kemp,” she said.

Australian Council of State School Organisation president Rodney Molesworth said Labor's decision to pass the Bill and its “telegraphing” beforehand that it would do so was “the least responsible decision made by an Opposition in a long time.” He warned that Labor would suffer a “very big electoral loss to the minor parties”.

As outlined at its recent national conference, however, the Labor Party has no intention of reducing funds to private schools. Increasingly openly, it is orientating to what it terms “aspirational voters”—those better-off layers of the upper middle class who stand to benefit from the Bill.



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