

DISCUSSION PAPER

What should be the Uniting Church position on public funding of non-government schools?

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Prepared by

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The views expressed in this paper are not necessarily the views of the Board of UnitingCare NSW.ACT or the NSW Synod of the Uniting Church in Australia. They are intended to assist debate and reflection on public policy advocacy in light of the Gospel, on the topic in question.

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Table of Contents

Executive Summary	3
Section 1: Introduction	7
1.1 Background to this paper	7
1.2 What is not covered	8
1.3 Disadvantage and Education	8
Section 2: Literature Review on Funding Debate	11
2.1 Historical Background	11
2.2 Current Arrangements.....	12
2.3 Independent school sector views	14
2.4 Public education advocates	15
2.5 State & Commonwealth Governments	17
2.6 Independent Research.....	17
2.7 Other churches.....	19
2.9 Summary.....	20
Section 3: Theological Considerations	21
3.1 Biblical insights.....	21
3.2 Themes in Uniting Church statements on social justice.....	22
Section 4: Conclusions and Recommendations	23
4.1 Evaluating the claims	23
4.1.1 core values.....	23
4.1.2 outcomes.....	23
4.2 Crossing the Divide	25
4.3 Conclusion and Recommendations	26
References	28

Comment on the Research Paper!

What do YOU think the Uniting Church should say about public funding of nongovernment schools?

Read the research paper first. This provides a summary of the arguments in the public arena and then presents a critique on policy and theological grounds. These questions might help you to think about the issues, but don't be limited by them.

1. Are there any sections with which you disagree? Why? What would you propose as an alternative?
2. The paper argues that the Bible is "unambiguous" about God's position when the rights of the poor and the privileged conflict. What do you think?
3. The paper proposes an advocacy position that, if adopted by state or federal government, would dramatically affect the incomes of Uniting Church schools. Some people have suggested it is not appropriate for the church to undermine itself in this way. Others have suggested to be silent in this way would be hypocritical. What do you think – and how do you answer the claim of the other view?
4. Reflect on your own experiences of school education as a student. Was that school well resourced? What implications did your school's finances have on your education? In what way does your school background influence the way you approach this debate?

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Executive Summary

UnitingCare NSW.ACT has been working on a draft education policy to present to Synod for the last nine months. During the process of consultation around the draft policy it became clear that questions of public funding of nongovernment schools are controversial within the church and in society generally. This paper was therefore written to explore the key arguments about public funding of non-government schools and make recommendations for adoption as part of the education policy being put before the Synod.

The Uniting Church has maintained strong support for public education and at the same time runs seven schools in NSW, all of which would be generally considered 'wealthy' in comparison. These schools advocate for increased government financial support for all schools regardless of their financial resources. In the absence of a formal policy of the Synod, this creates a tension in advocacy in which mutually exclusive positions could (and have in other states) been taken by social justice staff and the schools concerning public funding. There is therefore a need for Synod to clarify its funding policy.

A brief consideration of the historical background reveals that government financial support for non-government schools began as a way to bring non-government schools *up to* the resource level of government schools. Funding was also directly linked to the 'needs' of the schools. A basic grant has also been available for students regardless of the school they attend.

The combination of state and Commonwealth funding means that Catholic systemic and low-fee independent schools in NSW receive on average at least 80% of the average recurrent cost in public schools, and that some comparably wealthy independent schools receive 50-60%, in addition to their private income from fees and other sources which are often in themselves significantly higher than the total resources available to government school students (Vinson 2002: 361). The minimum combined grant to non-government schools in NSW is just over \$2000 p.a. per secondary student (about 22% of the average cost of public education).

Different stakeholders views on this situation are detailed in the paper and the 'core values' behind them elicited. These views can be summarised as 'entitlement' and 'equality of educational opportunity'. In essence the debate comes down to whether citizens are 'entitled' to government funding regardless of the school they attend, or whether the government should apply the principle of 'equality of educational opportunity', under which funding for schools is exclusively based on needs (to overcome various forms of disadvantage).

The Bible and past statements by the Uniting Church both provide assistance evaluating these competing claims. The consistent and urgent witness of both the Old and New Testaments is that God is on the side of the poor. Jesus' central social and religious interest was breaking down the institutions that elevated the privileged at the expense of the poor. When the 'rights' of the privileged and the poor conflict, the Biblical witness is unambiguous about which side God is on.

Social justice has always been a key theme in public theology in the Uniting Church in Australia. The Social Justice Charter, endorsed by the UnitingCare NSW.ACT Board in 2004, declares that "Belief in the God who works for justice carries an obligation to work for systemic social reform, to change the social conditions which produce injustice." In relation to this, Synod resolution 292/88S calls on the NSW Government to, among other things, "(c) give priority in the allocation of government resources to those groups which are currently most disadvantaged as measured by those principles [equity, access and participation]."

It thus seems clear that the church, in considering these alternative meanings, must side with *equality of educational opportunity* and a focus on needs-based funding. The outcome of continuing with the current funding formula will be increasing inequality, with educational achievement more tied to family background than intellectual capacity. Advocating for needs-based funding (and thus against an 'entitlement grant') would mean the Uniting Church accepting that its own schools are privileged. If the church is serious about following Jesus on the path of discipleship, it must commit itself to overcoming structural injustices which reinforce educational advantage even if this means advocating for funding priorities which may be counter to the perceived interests of Uniting Church schools.

Section 1: Introduction

1.1 Background to this paper

Earlier this year the Church & Society programme of UnitingCare NSW.ACT began drafting an education policy for Synod. The primary aim of this exercise is to ensure that staff advocating to government on behalf of the Uniting Church have a clearly endorsed set of principles with which to work.

During the process of consultation around the draft policy it became clear that questions of public funding of nongovernment schools are controversial within the church and in society generally. This paper was therefore written to explore the key arguments about public funding of non-government schools and make recommendations for adoption as part of the education policy being put before the Synod.

The Uniting Church has always expressed strong support for public schools and advocated for adequate funding to ensure high quality education is delivered to all students. At the same time, the church in NSW owns and operates seven schools (Kinross Wolaroi School, Knox Grammar, MLC School, Newington College, Pymble Ladies College, Ravenswood School for Girls, Wahroonga Preparatory School) with an excellent record of quality education, all of which could reasonably be viewed as 'wealthy' (ERI range 1-3; cf. section 2.8). The tension of the church's support for both has provided some controversy within decision-making bodies over the years.

There are at present no Synod or Assembly resolutions that explicitly address the question of public funding of non-government schools. A few hints at a direction could be inferred from resolutions expressing concern at educational disadvantage (224/85S), declaring that any funding cuts should be directed at the wealthiest non-government schools (345/87S) and affirming its continuing support for adequate funding for government schools (240/00C).

However, in the absence of formal resolutions, the Uniting Church is represented in the public debate by its schools and their representative peak body, the Independent Schools Council of Australia (and its state equivalents), which is advocating an increase in funding for all non-government schools, including those which might be considered 'wealthy'. This confusion is perhaps best highlighted by the response of the NSW Council of Social Services to the draft education policy sent out for consultation which shows how the church's position is perceived from outside. In that letter, NCOSS stated that

"Clearly we will have some differences to you in that we support a decrease in funding to private schools in order to put some much needed funding back into the public domain." (NCOSS 2005)

UnitingEducation is, mandated to provide national leadership in this area. In 2000 it supported legislation which used a new funding model ("SES") used to determine 'need' in such a way as to advantage many wealthy schools while noting concerns with the new model and encouraging the Commonwealth government to consider "additional factors such as a school's capacity to raise funds and the quality of the current infrastructure", without providing specific recommendations on the desirability of minimum funding levels. The NSW Council of Synod expressed 'concern' at the apparent Uniting Church support for the legislation and about the fairness of the socio-economic status criteria and the overall adequate funding for public education in Australia (240/00C).

The Victorian & Tasmanian Synod Commission for Mission put in its own submission in relation to the legislation in 2000. They argued against adoption of the new SES model and advocated for a cessation of public funding to the wealthiest schools. This submission was the cause of significant concern for Uniting Church Schools who had been lobbying for the acceptance of the legislation.

Thus the Uniting Church in NSW has a (confused) *de facto* policy on this matter already and there is much confusion within and outside the church as to its position on the matter of public funding. The question is not *do we need a funding policy* but rather *do we need to clarify our funding policy?*

This paper begins with some basic historical background to the funding debate from the time the Commonwealth began funding non-government schools to the arrangements as they stand today. It then moves to a literature review featuring all of the key stakeholders (or a representative argument where a group of stakeholders holds similar positions) covering questions about core values and specific positions on funding. In section 3 some theological considerations are introduced, looking at Biblical themes relating to the principles uncovered in the literature review and past and current statements by various parts of the Uniting Church on education and social justice. Finally in section 4 the competing claims are evaluated, conclusions drawn and recommendations are made.

A brief word on terms: this paper refers to schools as “government” (ie. owned and operated by a state department of education), “Catholic” (also known as “systemic” schools, operated by regional Catholic Education Offices in discrete ‘systems’; most but not all are ‘low fee’) and “Independent” (including schools run by the other churches, independent religious schools of various faiths, Grammar schools; some but not all are ‘high fee’). Deliberate avoidance is made of the terms ‘public’ and ‘private’ for reasons that shall become clear in discussions in section 4.2.

1.2 What is not covered

This paper is not exhaustive of all elements in the funding debate. Specifically, it does not cover questions of the adequacy of total expenditure on education, the specifics of state vs. federal funding (and who is responsible for what), the division of public school funding in terms of equity and disability programs, non-recurrent funding such as interest rate subsidies and capital grants, accountability or reporting requirements, or the use of the Average Government School Recurrent Cost index (AGSRC) for indexation of public funding to non-government schools. These issues are all important but they fall beyond the scope of this paper, although the principles behind the conclusions drawn at the end will be of relevance to many of them.

1.3 Disadvantage and Education

A brief mention needs to be made about the notion of educational disadvantage because it has a great bearing on the moral questions to be discussed later.

There are many types of disadvantage that relate to educational achievement. Basic barriers such as remoteness of location, physical and intellectual disability, and lack of fluency in English are all recognised as having an effect on educational outcomes. It is also commonly recognised that Indigenous students suffer as a result of the numerous difficulties faced by their communities. But the single most powerful disadvantage is poverty.

Simply put, the evidence available from multiple studies demonstrates that the socioeconomic status (SES) background of a student is the most important indicator of educational performance in both primary and secondary school (Keating 2003: 3).

The Smith Family, in a submission to the Independent Inquiry into the Provision of Public Education in NSW (known as the Vinson Inquiry), reported that students from low SES backgrounds are more likely to exhibit the following patterns in terms of educational outcomes, compared to children from high SES families:

- lower levels of literacy, numeracy and comprehension;
- lower retention rates;
- lower participation rates (children from low SES are less likely to attend university);
- higher levels of problematic school behaviour (e.g. truancy);
- less likely to study specialised maths and science subjects;
- more likely to have difficulties with their studies and display negative attitudes to school; and
- less successful school to labour market transitions (Vinson 2002: 230)

The PISA study conducted by the OECD in 2000, looking at mathematics, science and literacy skills of 15 year-old children, reported that while Australia’s performance was among the best in the world, the relationship between socioeconomic background and reading literacy is higher in Australia than in most other countries. The relative performance of Indigenous students was a particular concern (Australian Council for Educational Research 2001: 15).

Figure 1 shows the significant inequality of performance by SES background in a similar study, called TIMSS, this time on primary school children:

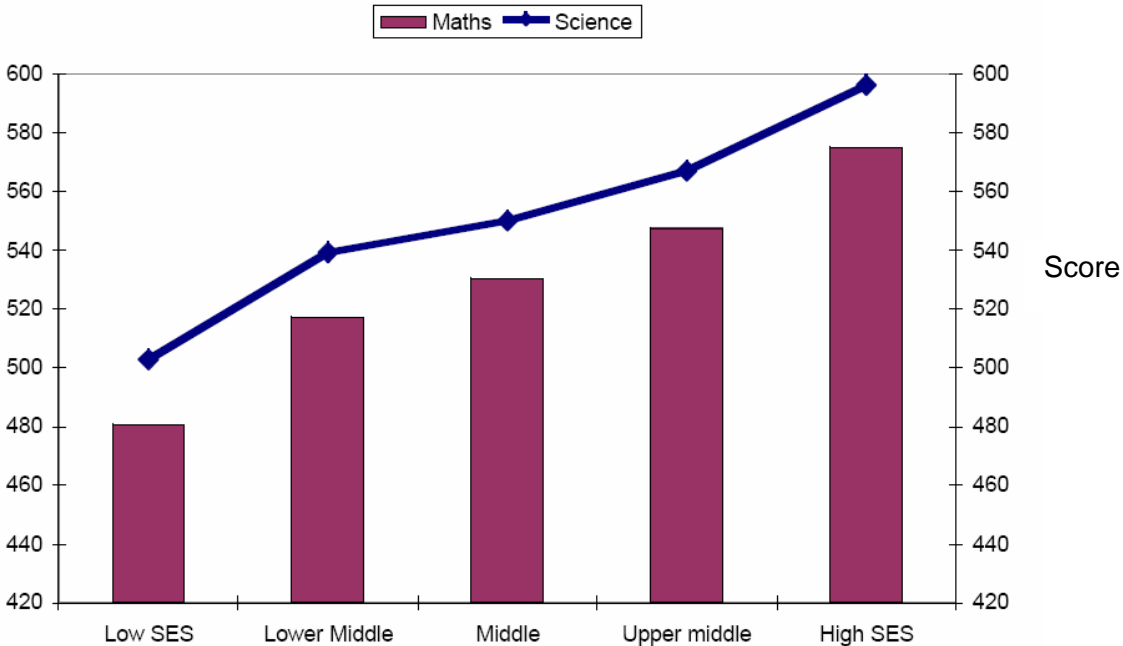


Figure 1 Mathematics and Science achievement of 9 years-olds, by SES quintile: Australia 1995 (Keating 2003: 3)

The main implication of these findings is that educational performance is closely associated with factors completely outside the control of students – the family they were born into. This does not of course mean that all wealthy students perform better than all poor students, or that one can predict the educational achievements of a 9 year-old simply by determining his or her SES background. It simply means that students from high-SES backgrounds, on average, achieve significantly better results at a population level. Given that educational

achievement is itself a primary indicator of lifelong earnings and SES position, this data demonstrates that there are restrictions on social mobility and that, as a general rule, those born into disadvantage are likely to remain in that position throughout life and pass on that disadvantage to their children, and so on, perpetuating an intergenerational cycle.

The distribution of SES background is not even across the three sectors (Government, Catholic, Independent), as shown in Figure 2:

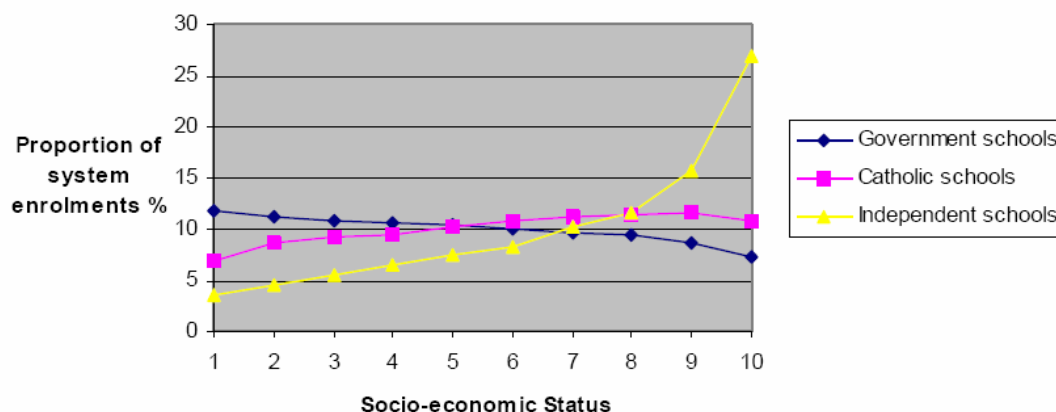


Figure 2 Proportion of students from different socio-economic groups enrolled in Government, Catholic and Independent schools (Vinson 2002: 359)

As shown in the graph above, students from lower SES backgrounds (the left half) are more likely to be in government schools than Catholic or independent schools. In contrast, students from the top 50% in terms of SES are more likely to be in Catholic schools than government schools. However, the most extreme trend relates to SES and attendance at an independent school. Here, more than half of all enrolments in independent schools are of students from the top three SES deciles (the highest 30%). In addition, less than 30% of independent school enrolments are of students in the bottom 50% SES.

These trends become even more dramatic in relation to secondary school enrolments. In the case of independent schools, less than 10% of students from the poorest 50% of families attend independent secondary schools. In contrast, just over 20% of the second richest 10% of families, and nearly 40% of the wealthiest 10% of families attend independent schools (Vinson 2002: 359)

It is generally accepted that disadvantaged students require extra resources to lift their achievements, and that such resources do indeed make a difference. For example, remote schools require additional funds to access communications such as the Internet, children in poverty often require remedial literacy classes to overcome their lack of early childhood education, and schools require additional funds to cater for children with physical disabilities. Both Commonwealth and State governments have targeted funding programs providing additional resources to schools catering to disadvantaged students in recognition of this. Both government and non-government schools currently argue these funds are not nearly adequate for the task (NSW Teachers Federation 2004; Independent School Council of Australia 2004; National Catholic Education Commission 2004).

Section 2: Literature Review on Funding Debate

2.1 Historical Background

Since the 1950s, Australian governments – both State and Territory and the Commonwealth – have provided subsidies to non-government schools to raise their resource levels. The Commonwealth began providing recurrent grants to non-government schools in response to the Karmel Report in 1973 which proposed public funding to bring the resource levels of non-government schools *up to* the level of public schools (at the time, Catholic systemic schools were struggling to meet capital and operational expenses, primarily due to the decline in staffing by members of religious orders) because it was in the interest of the government to ensure all children received an adequate standard of education (Watson 2004: 11-12).

The Report recommended a differential funding system based on eight categories of need. Under this needs-based system, Commonwealth funding was distributed at a higher level to private schools deemed the “neediest” (such as schools in Catholic systems and independent schools that charged low fees) and lower levels of grants were given to moderate-fee independent schools.

Karmel did however suggest that previous arrangements to provide capital grants to high-resource schools be dropped, arguing “government aid cannot be justified in maintaining or raising standards beyond those which publicly supported schools can hope to achieve” (cited in Watson 2004: 12).

The Whitlam Government was forced to drop this recommendation to ensure the passage of its schools funding legislation through the Coalition-controlled Senate in 1974. High-fee independent schools have remained in the funding scheme ever since, although the concept of ‘need’ has remained the foremost principle articulated in the allocation of funding to non-government schools (Watson 2004: 12).

Commonwealth funding for both government and non-government schools has increased significantly since 1996. This increase has seen real outlays per student in non-government schools increased by 50% between 1995 and 2005 (NSW Public Education Council 2005: 39). At the same time, the concept of ‘entitlement’ has become influential in conservative political discourse, meaning that the proportional difference between the ‘most needy’ and ‘least needy’ has shrunk in funding terms (‘entitlement’ is discussed in section 2.3).

The proportion of government spending is also changing, with ever-increasing support for the non-government sector. More than 67% of Commonwealth funding now goes to the non-government sector, up from 55% ten years ago, and this trend will continue throughout the 2005-08 funding cycle to see the non-government sector receive 69% by the end of this quadrennium (Senate 2004: 4.3).

Figure 3 shows the changes over the last decade. Note that these figures are for *combined* Commonwealth and State funding, and that Commonwealth spending (where the increase in non-government school funding is coming from) represents only about a quarter of the national education budget.

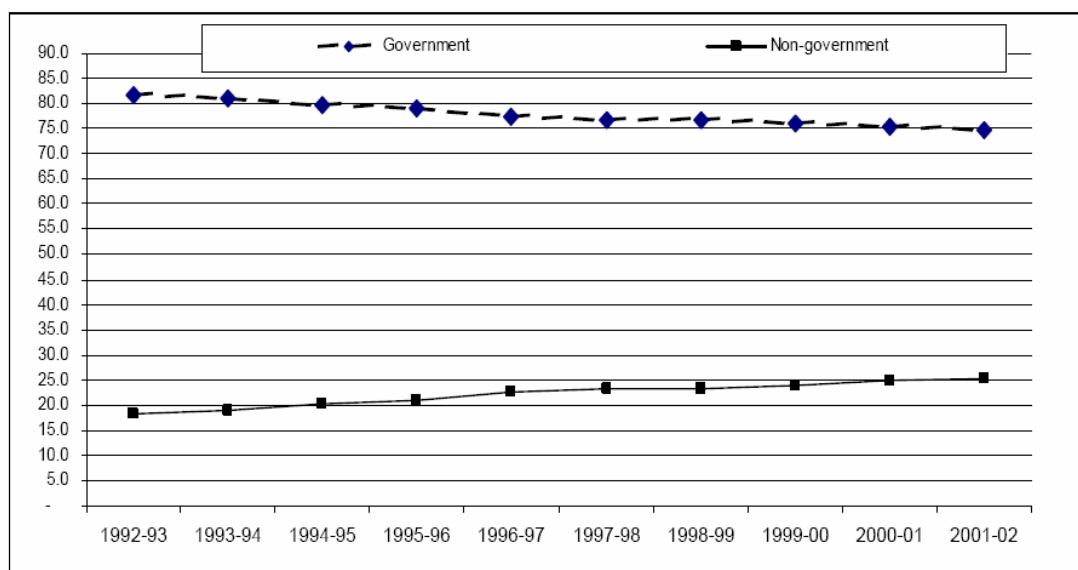


Figure 3 Change in total expenditure proportions for government and non-government schools (Hayward & Esposto 2004: 9)

Also controversial has been the change from the Education Resources Index (ERI) model to the Socio-Economic Status (SES) model for calculating ‘need’ in non-government schools. The details of these models are provided in section 2.8, but for the current purposes it is worth noting that this change has seen significantly increased funding for many high-fee high-resource independent schools which many consider undermines the accuracy of the SES model and brings into question the Commonwealth Government’s commitment to needs-based funding.

In 2002 the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) considered a proposal for an “Agreed framework of principles for public funding of schools”. The agreed framework states that

“Commonwealth and State governments will work cooperatively and proactively to ensure that ... public funding for schooling supports the rights of families to choose non-government schooling and supports non-government schools on the basis of need, within the context of promoting a socially and culturally cohesive society and the effective use of public funds.”

This agreement was signed by all state and territory governments, but the federal government abstained on the grounds that there had been insufficient consultation with peak bodies representing the non-government school sector (Department of Education, Science and Training (DEST) 2004a: 11).

2.2 Current Arrangements

Commonwealth recurrent funding for education now stands at \$33 billion over the four year period 2005-08, of which \$22 billion (67%) goes to the non-government sector, which represents 33% of enrolled students nationally (DEST 2005).

Since 1990 the NSW Government has a legislative requirement that 25% of the Average Government School Recurrent Cost (AGSRC; the measure of the per-capita cost of public education, in 2004 this was \$8021 p.a. for secondary students) be provided to all non-

government schools, distributed according to 'need'. In 2005-06 this amounts to \$698 million in a total schools budget of over \$8 billion (NSW Department of Education and Training (DET) 2005).

Among other things, the 25% linkage in NSW also means that if the NSW Government were to announce a \$100 million increase in funding targeted at disadvantaged schools, a portion of that money would in fact go to non-government schools even if none of them fit the criteria established in the targeting mechanism for 'disadvantage'. This limits the ability of the state government to commit additional funding to government schools in desperate need of maintenance and capital works or targeted funding to address specific educational needs (Vinson 2002: 360).

The combination of state and Commonwealth funding means that Catholic systemic and low-fee independent schools in NSW receive on average at least 80% of the average recurrent cost in public schools, and that some comparably wealthy independent schools receive 50-60%, in addition to their private income from fees and other sources which are often in themselves significantly higher than the total resources available to government school students (Vinson 2002: 361). The minimum combined grant to non-government schools in NSW is just over \$2000 p.a. per secondary student

Table 1 shows how this works out for the six secondary schools run by the Uniting Church in NSW as an example. The SES and ERI scores and what they mean are explained in more detail in section 2.8. Note the data here is only for secondary students although all six schools also cater to primary students. The comparable total resource figure for government schools in NSW is \$10,793 for 2004 (Watson 2004: 5; figure not available for 2005).

Name	SES	ERI	Per-capita CW 2005	Per-capita NSW 2005	Combined per-capita grants 2005	Fees (Year 10)	Total per-capita Resources
Kinross Wolaroi School	104	3	\$4074	\$1351	\$5425	\$11,145	\$16,570
Knox Grammar	128	1	\$1429	\$900	\$2329	\$15,210	\$17,539
MLC School	110	3	\$3413	\$1351	\$4764	\$14,940	\$19,704
Newington College	118	1	\$2531	\$900	\$3431	\$17,325	\$20,756
Pymble Ladies College	128	2	\$1667	\$1171	\$2838	\$15,000	\$17,838
Ravenswood School for Girls	129	1	\$1323	\$900	\$2223	\$16,360	\$18,583

Table 1 Per-capita resources in Uniting Church schools in NSW

Sources: DEST 2004b; DET 2005; fees collected from school websites and personal communication. Fees are for day students excluding family discounts and covering tuition only. Year 10 was chosen as an approximation of average fees over years 7-12.

As would be expected, different stakeholders have a wide range of views about these arrangements and the principles supporting them. This paper reviews a range of opinions including those of the peak bodies of independent schools, peak bodies of public school supporters, and state and Commonwealth governments, as well as summarising some key findings by independent researchers in recent years. It then looks at statements made by other Synods and other churches in Australia.

2.3 Independent school sector views

Most of the independent schools sector is represented nationally by the Independent Schools Council of Australia (ISCA), and each state also has an Association of Independent Schools. The vast majority of independent schools are members of these associations, including all Uniting Church schools. As mentioned earlier, some but not all independent schools would be commonly thought of as ‘high fee’ schools¹ – the average secondary tuition fees are \$7354 p.a. (Watson 2005), with the highest known (Ascham in Sydney’s east) being almost \$19,000 for year 12 students.

The ISCA supports the current trends towards increased real funding for independent and Catholic schools. In their submission to the 2004 Senate Inquiry into Commonwealth Funding for Schools, they argue that the Commonwealth funding arrangements adequately reflect the principles they believe should operate, namely “[funding] equity, incentive, flexibility, transparency, simplicity and predictability” (Independent Schools Council of Australia 2004: 9).

Elsewhere, and prominent in the literature of the independent school sector, the principle of ‘entitlement’ is raised. For example, in the same submission, ISCA argues that “every child has a right to have their school education supported by a basic entitlement to Australian Government and state and territory funding. Additional funding beyond this basic entitlement should be allocated on a needs basis”. They recommend this ‘entitlement’ be equivalent to around 25% of the AGSRC (ISCA 2004: 12).

This concept is explained in this way:

“The right of a student’s basic entitlement is based on the principle that schooling is a legal requirement for all children, and because parents pay taxes they are entitled to the same level of support for their child’s education whether they attend a government or a non-government school.” (Association of Independent Schools in Western Australia 2004)

In their submission to the Senate Inquiry, the Association of Independent Schools of NSW (2004: 4) spelled out in more detail the logic behind this idea:

“Governments should provide funding in support of education of each and every child, with the funding following the child to the chosen school.

- a. *The AIS holds the view that all parents have the right to funding support from governments for the education of their children. This view is held as the result of the following:*
 - i. *Parents have the right to choose the school for their children. This view is held by the Australian and all State Governments*
 - ii. *Schooling is compulsory in Australia*
 - iii. *Schooling for all children is in the nation’s interest. The nation benefits from the provision of a high quality education for its children.*

¹ The term “high fee” should be used with some caution because it lacks definition, even by opponents of public funding to nongovernment schools. Possible definitions include those whose tuition fees exceed the AGSRC (from Watson’s (2004) research this would mean 122 out of 1068 schools). The ALP education policy for the 2004 Federal election declared 67 schools with fees above \$12,000 p.a. were ‘wealthy’ enough to support themselves.

- iv. *Funding is attracted to this compulsory element of Australian life and should follow each and every child to the Government or Registered Non Government School chosen by the parents.”*

Other arguments were also used to support government funding:

“parents who choose to educate their children in non-government schools demonstrate their willingness to play a partnership role with governments in funding the cost of their children’s education ... Parents who exercise their freedom of choice in schooling options for their children should not attract financial penalty. Parents should not be penalised for their willingness to spend money on their children’s education” (Scotch Oakburn 2004: 3).

Two Uniting Church schools also made submissions to the Inquiry, with both of them supporting the arguments of ISCA to the extent of using pro-forma documents with minor adjustments (Annesley College 2004, Scotch Oakburn 2004).

The two other national independent school associations are Christian Schools Australia and the Australian Association of Christian Schools. While disagreeing with ISCA on some of the questions about the mechanics, both groups have matching principle statements to ISCA (Christian Schools Australia 2005; Australian Association of Christian Schools 2005).

Interestingly, not all independent schools appear to follow the ‘automatic entitlement’ argument. Circular Head Christian School is a small independent Christian K-12 school located in a socio-economically disadvantaged part of Tasmania (SES score 88) who receive 82% of their income from combined state and federal grants. In their submission, they note that in their desire to be serve everyone in the community regardless of income, they have maintained a policy of keeping tuition fees low, and conclude “...for this reason, we believe we are worthy of ongoing government financial support” (Circular Head Christian School 2004: 3; emphasis added).

2.4 Public education advocates

There are a large number of organisations presenting what might be called the “priority public” argument in the funding debate. The organisations range from the Australian Education Union (representing all government school teachers in the country) and the state principals’ associations to advocacy bodies such as the NSW Council of Social Services and the recently closed NSW Public Education Council.

None of these organisations dispute the basic principle of the right of parents to choose to send their children to non-government schools, and none opposed public funding of non-government schools per se (although some felt there should be requirements that they operate and be held accountable in the same way as government schools). What they do advocate is a change in the distribution of state and federal grants to prioritise public education and schools (government or non-government) catering to students with the greatest educational ‘needs’.

This line of argument draws attention to the lower SES background profile of government schools mentioned earlier, and hence the increased resources required to achieve the same educational outcomes. Focussing on this ‘needs’ basis, they argue that well resourced schools do not need government funding in the context of effective scarcity (ie. there is a finite amount of money available) and that funding wealthy non-government schools only serves to entrench their educational advantage.

Instead, they argue that funding models should take account of the fact that the workload of schools and teachers vary markedly among schools and between schooling sectors, reflecting the differences in the needs of their student communities (NSW Public Education Council 2004: 9)

The 'priority public' argument is best represented by the submission of the NSW Secondary Principals' Council to the Senate Inquiry (2004: 3; the 'Adelaide Declaration' refers to the National Goals for Schooling in the 21st Century agreed to by all State, Territory and Federal Ministers in 1999):

"[The] vast differences in resourcing and school operation means that schooling is not "socially just" (Adelaide Declaration 2.2) – in particular public schools have a reduced capacity to ensure that "the learning outcomes of educationally disadvantaged students improve and, over time, match those of other students" (Adelaide Declaration 3.2). Under current arrangements linked to the funding and operation of schools it is not possible to say that "all students have access to the high quality education necessary to enable the completion of school education to Year 12 or its vocational equivalent" (Adelaide Declaration 3.6)."

Another way of framing the question was provided by the NSW Public Education Council submission (2004: 10):

"The current system which allocates public money to even the wealthiest and well-endowed of schools risks creating the impression that the Commonwealth has double standards. Is it the view of the Commonwealth Government that the resource standards available to students in the highest-fee non-government schools are appropriate to the needs of their student communities? If this is the case, then the Commonwealth has an obligation to raise the resource levels of other schools to those levels, on grounds of equity. It can well be argued that if these resource levels are required for students drawn from relatively educationally advantaged backgrounds, then an even higher standard must be required for other schools, and particularly for those schools that draw their students from educationally disadvantaged backgrounds. The Commonwealth cannot have it both ways. Either the standard of resources the Government is supporting in high-fee non-government schools is appropriate for all schools, or it is not appropriate for the Commonwealth to be contributing to such standards for a privileged minority of students."

In their research paper submitted to the Senate Inquiry, Hayward & Esposto (2004: 36) wrote about the clash of principles to apply to the debate:

"There are those who argue that the core issue is the right of taxpayers to have some government funding for the education of their children, irrespective of whether it is spent on the public or private sectors ... We would argue that the core consideration should not be parents. It should be children. And the core value is not the right of parents to a government subsidy, but the right of all children to a high level of education provision in order that they all have available to them the same ladder of opportunity."

Using 'equality of opportunity' as their core value, the authors specifically urge a funding benchmark for government schools based on the resource levels of the wealthiest non-government schools in the country, that government funding of non-government schools should not magnify education funding inequalities and that funding should be needs-based (2004: 32).

2.5 State & Commonwealth Governments

The Commonwealth government position is obviously demonstrated by its current policies regarding funding of non-government schools. These policies are based on the same principle of entitlement enunciated by the independent school sector: "The Howard government believes that every parent, having paid their taxes, deserves some level of public assistance to support the education of their child, regardless of which school their child attends" (Education Minister Brendan Nelson press release, 15 Feb. 2004; cited in Hayward & Esposito 2004: 8). In 2005 this 'entitlement' amounts to \$1186 p.a. per secondary student in Commonwealth grants.

The Commonwealth also argues that it does base most of its funding on 'need', without any substantive response to the evidence placed before it that their funding policies in fact do not work out that way (Department of Education, Science and Training 2004a).

The State Governments all appear to agree with each other that funding ought to be based on 'need' as per the MCEETYA Agreed Framework, but all of them do provide a minimum level of funding to all non-government schools (in NSW in 2005 this is \$900 p.a. per secondary student). Hence while they tend not to refer to 'entitlements', the outcome is quite similar.

The significant difference is rather the steepness of the scale of funding according to measurement of need. Whereas the range of grants from the NSW Government is \$900 - \$2054 per secondary student, the Commonwealth grant ranges from \$1186 - \$6056 (NSW Department of Education and Training 2005; Department of Education, Science and Training 2004a, extrapolated). It could be argued that the Commonwealth's steeper scale is actually more appropriate in addressing educational need than that of the NSW Government.

The States also all agree that that Commonwealth should provide a significantly greater proportion of its funding to the government school sector, which is in greatest need of the resources. Many of them provided submissions to the Senate Inquiry pointing to the decreasing share of funding to government schools as a great concern, and arguing that the Commonwealth's position is inconsistent with the central tenet of the National Goals for Schooling in the 21st Century, that governments deliver high quality educational services for all students (Victorian Government 2004: 11).

Of course, the states could simply reduce their grants to non-government schools in line with Commonwealth increases if they wished. Indeed this is precisely what the Vinson Report recommended in 2002, suggesting that the NSW Government abandon the 25% linkage either outright, or preferably for all but the most needy schools (Vinson 2002: 369f). At this stage there is no indication that the NSW Government has any intention of doing this.

2.6 Independent Research

A number of education researchers have released studies and/or made submissions related to the topic in recent years. The following is not meant to be definitive but more a survey with the aim of informing the debate.

Simon Marginson, from the University of Melbourne, wrote a research paper titled “Pathways to Failure: the educational disadvantage of children from low-income families” in 2002. In it he explores historical and current approaches to overcoming education disadvantage, as well as the outcomes of disadvantage in educational achievement. He also tackles the question of competition, noting that “a significant body of research now concludes that the introduction of competition between educational institutions is associated with growing inequalities available for student learning and ... the distribution of student achievement” (2002: 16). Marginson also argues that “the continuation of grants to elite high fee high resource independent schools, that are effectively closed to all but a small minority of families ... has no parallel in public policy” (Marginson 2002: 6; he does discuss health policy which might be seen as similar).

In a paper presented to the National Schools Forum of the Christian Churches in 2002, Brian Caldwell (Dean of Education at the University of Melbourne) noted that the intractable debate over public funding of non-government schools was absent in most other OECD countries. He pointed out that Australia is unique in the extent to which non-government schools are able to access public funding and charge tuition fees at the same time. Many other countries have private schools, but these are either not publicly funded or some non-government schools are considered ‘public’ in the sense that they promote public values and are fully or mostly funded by the government (without charging significant fees) and others ‘independent’, the latter receiving no public funding (Caldwell 2002: 5). This question of re-defining the idea of ‘public schools’ is taken up in greater detail in section 4.2.

Louise Watson (University of Canberra) conducted an extensive study into the total operating resources available to independent schools in 2004, compared to the average resources per student in government schooling. By matching information on tuition fees with Commonwealth and State Government grants, Watson found that 27% of independent school students attend schools where the tuition fees alone are higher than the AGSRC. The 110 secondary schools in this category charge an average of \$13,389 in tuition fees and received an average combined state/federal grant of \$3494, leaving them with at least 62% more resources per student than government schools. This does not count additional fees for textbooks, building levies and so on and is despite the fact that government schools disproportionately cater to rural, remote, disadvantaged and disabled students. Overall, Watson found that 55% of independent school students enjoyed better resources than government school students despite the original and abiding justification for funding non-government schools being to bring non-government schools *up to* a comparable level of resources (Watson 2004; emphasis added). In testimony before the Inquiry, Dr Watson also noted that the idea of an ‘entitlement’ to a basic grant is absent in the debate in most other countries (Senate 2004: 2.58).

Watson also teamed up with Chris Ryan (ANU) in 2004 to investigate the drift to non-government schools in terms of effects it might be having on the SES backgrounds of students in each sector. They found that most children leaving government schools since 1996 were from the 6th and 7th deciles (ie. a little better off than the median), suggesting the dominant trend in the last decade has been middle class flight from government schools. They also found that non-government schools have not responded to rising public funding by reducing tuition fees but rather by increasing their level and quality of resources, such as new facilities and reduced class sizes, even where these were already better than those on offer in government schools (Ryan and Watson 2004).

Richard Teese from the University of Melbourne, in his submission to the Senate Inquiry, made two key claims. Firstly, he pointed out that despite Commonwealth claims that the attainment of quality is best achieved by promoting market choice through direct subsidies to non-government schools, there is no evidence of an improvement in learning outcomes for

disadvantaged students arising from this approach. Secondly, drawing on studies such as Ryan & Watson above, he argued that while the Commonwealth says it supports 'choice', its funding policies in fact work to strengthen the competitive advantages of those independent schools which already have resource advantages, which is to say it is undermining meaningful choices for parents (Teese 2004).

David Hayward and Alexis Esposto from Swinburne University analysed the trends in Commonwealth funding for schools in 2004. They found that real Commonwealth funding of both government and non-government schools has increased considerably over the last decade, and that the major beneficiaries have been non-government schools – and within this group it is the wealthiest schools that have done the best – to an extent not matched by increased enrolments. They find that current Commonwealth funding principles are inconsistent with the principle of equality of educational opportunity, and are in fact accentuating inequality, and note the existence of “a rich set of education research that demonstrates how the current system ensures that it is the children of those already in privileged occupations who will end up taking over these positions in the decades ahead” (Hayward & Esposto 2004: 34).

2.7 Other churches

As mentioned earlier, there are no existing resolutions by any Uniting Church Synods or the Assembly on the question of public funding for non-government schools. However some statements have been made which point in a consistent direction.

The Victorian Synod passed a substantive education policy in 2000, in which it declared that

“The Uniting Church recognises and affirms it is the responsibility of governments to ensure that each child has access to an education. The Uniting Church commits itself to encouraging justice and equity in the provision of educational, human, capital and financial resources, to ensure there is the possibility of equality of opportunity for students within, and between, the state and church sectors of education.”
(section 3)

The Queensland Synod received a report from the Synod Schools Commission in 1999 titled *Theological Perspectives on Learning, Teaching, School, Church and what makes a "Church School."* This document covers a range of issues facing church schools including questions of 'elitism' and 'accessibility'. In the context of increasing enrolments in independent schools, including church schools, the report suggests this “challenges the church even more to support church schools while at the same time calling for justice and fairness” (Synod Schools Commission 1999: 8). The document is also highly critical of the financial inaccessibility of many Uniting Church schools, arguing “as long as the fees are prohibitive to some members, we need to recognise that we are contributing to an injustice by allowing this situation to exist ... it suggests that our schools stand in contrast to the Gospel's concern for all people, which must include the outsiders, the poor and the underprivileged” (ibid). While not addressing the 'funding debate' directly, this statement is of relevance in circumstances where, as found by Ryan & Watson earlier, independent schools (including Uniting Church schools) are using public funding not to reduce fees but to further increase resources available for teaching.

In 2002 the Uniting Church Assembly endorsed a *National Education Charter* which sets out principles and guidelines for thinking about educational matters. Of specific interest here is guideline #4, which states:

ACCESS TO EQUITABLE AND QUALITY EDUCATION
This guideline seeks to maximise learning opportunities through a commitment to quality teaching and learning experiences for all people, regardless of their age, gender, geography, ability or socio-economic status ... The practice of equitable and quality education requires a commitment to a variety of learning models and contexts; respects the needs of individual learners, especially those whose ability requires special education provisions; and directs resources to areas of greatest need.

Catholic systemic schools are represented nationally by the National Catholic Education Commission (NCEC). The Commission has not publicly taken a position regarding funding of independent schools, but did lobby the Senate Inquiry for increased funding of their own schools to a combined (state & federal) average of 85% of the AGSRC, which in turn allows them to keep fees low, stating that they are very concerned that the very poor are finding it increasingly difficult to attend systemic schools (NCEC 2004).

NCEC has published a set of guiding principles for the advocacy of funding for all schools (2004: 2):

- Every citizen has the right to freedom of choice in education;
- All children have a right to share equitably in the public expenditure on education, irrespective of the school chosen by parents;
- The distribution of public funds must take into account the general educational needs of every child, especially those children who are disadvantaged educationally by social, economic, geographical, cultural, physical and other factors and
- The distribution of public funds must express the general state of the economy, the resources available to the schools under consideration and to the parents' economic state.

2.9 Summary

Section 2 outlined the historical background and current arrangements in public funding, provided a review of stakeholder arguments used in support of different positions regarding public funding of non-government schools, and briefly reviewed academic research of relevance to the debate. In particular, it uncovered the principles or core values that underpin the arguments of stakeholders, and found that the key principles at stake are funding based on *equality of opportunity* and *entitlement* to a basic grant.

Advocates of the principle of *entitlement* argue that it is justified on the basis that all governments support freedom of choice of schools, including non-government schools, and that all taxpayers have a right to receive government funding for their child's education. It is incongruous, they argue, to support choice but not back up that support with funding.

Advocates of a needs-based funding model argue that the foremost responsibility of governments in public policy is to counteract disadvantage and provide a framework for moving towards *equal educational opportunity*. They argue that the first responsibility of governments in education is the provision of quality education through public schools with additional funding based on educational needs driven by factors such as SES background, remoteness and disability.

The Independent Schools Council of Australia argues that these two values need not conflict, indeed they formally support a policy of 'entitlement plus need'. However, every dollar given as part of a basic grant to a 'wealthy' school is a dollar spent entrenching the competitive advantage of such schools and not spent addressing that advantage, which means there is

an internal tension in this approach. In a funding environment with finite socially provided resources (such as government funding), and where disparity of educational access exists, the principles of *equality of opportunity* and *entitlement* are in conflict. It is this conflict which drives the debate in Australia.

Section 3: Theological Considerations

The church is called to reflect on issues in society, including education, in the light of its faith in Christ and its commitment to his teaching. The Church's confession leads it to uphold a value system based on love, social justice and compassion within which morality is defined (Uniting Church in Australia 2002: 1).

The National Education Charter "encourages sound theological reflection, based on gospel values, when it considers matters related to education" (UCA 2002: 4). The following section is an attempt to consider the competing claims of *equality of opportunity* and *entitlement*, when they are in conflict with each other, from a biblical and theological perspective.

3.1 Biblical insights

What does the Biblical witness have to say to us about this? They were obviously not party to the same debate given the relatively recent role of the State in the provision of education, but the Bible does have a lot to say about social relations that provide a basis for evaluating the competing claims.

The Old Testament calls the people of God to a vision of a society based on justice and harmonious relationships between people. The prophets condemn the accumulation of wealth by the few, leaving all others in poverty. The longed-for Messiah was to be the one who ushered in the kingdom of God, proclaiming good news to the poor (Wansbrough 1985: 9).

Despite the prominence of prosperity theology among Jewish people up to and including Jesus' time, the most consistent discourse in the Old Testament surrounds the poor and needy. Indeed there are 3000 verses on the poor in the Bible. The messages about the poor are consistent and demanding, with the Prophets especially vocal in reminding Israel that she will be judged by her actions in relation to the poor. Throughout, God is portrayed as the deliverer of the poor and the oppressed (Wallis 1994: 161-162).

The incarnation of God in Jesus was an act of solidarity with humanity as an expression of God's grace. Jesus was born among people whose destiny was determined by unjust political, religious and economic structures (Wansbrough 1985: 9). Jesus' ministry is summarised by Luke in the Magnificat, by Mark in the Isaiah scroll pronouncing the year of the Lord's favour, and by Matthew in the Sermon on the Mount. All point to the same vision for the kingdom of God in which the first shall be last, and the last first.

The poor and marginalised were at the centre of Jesus' ministry and prophetic concern. He was a friend of beggars and prostitutes; healed the blind, the lame and the leprous; and both preached and practiced the inclusion of the 'unclean'. Indeed Jesus' central social and religious interest was breaking down the institutions that elevated the privileged at the expense of the poor (Myers 1995). Those who were excluded, Jesus included. Those who were in positions of privilege were called to deny themselves, to take up their cross and follow him. All were invited to share equally in the heavenly banquet.

In summary, when the 'rights' of the privileged and the poor conflict, the Biblical witness is unambiguous about which side God is on.

3.2 Themes in Uniting Church statements on social justice

In considering the frequency and urgency of Scriptural passages on the topic and the work of the Holy Spirit in the world, the church has come to recognise what has been called “God’s preferential option for the poor”. While this phrase is most prominent in, and a cornerstone of, Catholic Social Teaching (Tworney 2005), the realisation that the Good News is particularly good news for the poor can be found in Uniting Church reflections on economic justice (Assembly Social Responsibility and Justice Committee 1985) and in the Statements to the Nation in 1977 and 1988, in the UnitingCare NSW.ACT Social Justice Charter, and in innumerable church statements throughout the country.

Social justice has always been a key theme in public theology in the Uniting Church in Australia. Terms such as *justice, equity, disadvantage, and equal opportunity* abound in church literature and resolutions and point to a common concern that we wish to be found to be among those on the side of the poor and marginalised. For Christians, social justice action is a response to the Gospel, an opportunity to share in God’s mission, an act of discipleship in which we walk the path set by Jesus (Herbert 1990).

In its Statement to the Nation following the Inaugural Assembly in 1997, the Uniting Church declared that

*“We affirm our eagerness to uphold basic Christian values and principles, such as the importance of every human being, the need for integrity in public life, the proclamation of truth and justice ... We pledge ourselves to seek the correction of injustices wherever they occur. We will work for the eradication of poverty and racism within our society and beyond. We affirm the rights of all people to **equal educational opportunities** ... We will challenge values which emphasise acquisitiveness and greed in disregard of the needs of others and which encourage a higher standard of living for the privileged in the face of the daily widening gap between the rich and poor.”* (emphasis added)

The Social Justice Charter, endorsed by the UnitingCare NSW.ACT Board in 2004, declares that

“Belief in the God who works for justice carries an obligation to work for systemic social reform, to change the social conditions which produce injustice.”

Synod resolution 292/88S calls on the NSW Government to, among other things, “(c) give priority in the allocation of government resources to those groups which are currently most disadvantaged as measured by those principles [equity, access and participation].”

Section 4: Conclusions and Recommendations

4.1 Evaluating the claims

4.1.1 core values

What then are we to say as the Church? As stated in the Social Justice Charter, the 'core values' of the church in terms of social policy advocacy are *access, equity, participation* and *human rights*. Within this context, *equity* could potentially be understood to refer to *equality of educational opportunity* or *equality of funding entitlement* ("funding equity" per ISCA).

In academic discourse, the meaning of 'justice' is usually tied to the former. In the most influential work on the subject in the last 60 years, John Rawls emphasises the importance of what he calls 'fair equality of opportunity' as a basic requirement of a just society, and a limitation on the extent to which social and economic inequalities can be justified (Rawls 1973: 83). Rawls goes on to say that this principle holds even when it detracts from efficiency, that is, even if it could be shown that inequality of opportunity would apparently lead to a greater realisation of social and economic goods (1973: 84). In the only statement on education in the treatise, Rawls declares that his theory of justice "would allocate resources in education ... so as to improve the long-term expectation of the least favoured" (1973: 101). While much of Rawls' thinking remains controversial, the notion of 'fair equality of opportunity' remains largely uncontested; indeed it forms part of the very critique of some other influential writers (see for example Nagel 1991; Sen 1992).

The church has made consistent statements about the centrality of social justice advocacy to its mission, based on the clear and urgent witness of the Bible. It thus seems clear that the church, in considering these alternative meanings, must side with *equality of educational opportunity*. Past statements have already presaged this, such as the Statement to the Nation in 1977.

'Equality of educational opportunity' is clearly tied to 'need' in these arguments. Advocates of need-based funding often refer to it as a key principle and derive one from the other (see for example Hayward & Esposto 2004: 32). Research mentioned earlier in the discussion of disadvantage (section 1.3) highlights the absence of equal outcomes on the basis of SES background, which points to inequality of educational opportunity at a population level (the problem of present inequality is not in dispute). Reducing this inequality obviously requires increased resources (among other things), including both quality of teaching and facilities, and these resources will be necessary proportionate to the level and type of disadvantage, that is, educational *need*.

4.1.2 outcomes

A second way to evaluate these competing principles is to consider the outcomes of each approach. When discussing rival claims to representation of God's will, Jesus provides some sensible advice: "you will know them by their fruits" (Mt 7:16).

The outcomes of a shift at the Commonwealth level to a stronger needs-based approach at the expense of a basic 'entitlement' grant would be to put a significant challenge before highly resourced schools. For example, Uniting Church schools receive an average of about \$3500 per secondary student; MLC School and Pymble Ladies College each receive approximately \$5 million in combined funding each year, a figure which is indicative of the other Uniting Church schools (Watson 2004; Burke 2004 extrapolated to current year). Depending on each school's situation these grants might not disappear entirely but they would be expected to be reduced significantly.

The Independent Schools Council of Australia claims this would force those schools to raise fees further, putting them beyond the reach of many parents. It certainly sounds fair to assume that a rise of \$3500 in fees would cause many parents to struggle. However, for those schools in this category, such an increase in fees is precisely what has happened in the space of the last few years, during which time many of them have upgraded facilities and/or reduced student : staff ratios despite already having resources far superior to anything government schools could hope to acquire. If affordability was the primary concern this recent trend would not have occurred.

It is also not immediately apparent that the construction of state-of-the-art creative and sporting facilities is so essential to the delivery of high quality education that it could not be deferred in the interest of affordability, nor why the government should continue to subsidise these schools if they are incapable of delivering high quality education at higher resource levels that government schools, in a time when many government and non-government schools clearly need additional financial assistance to redress educational disadvantage.

It should be emphasised here that adoption of a needs-based funding approach does not mean de-funding low fee Catholic and independent schools. It may mean *increasing* their funding in proportion to the educational needs of their students. Thus arguments pertaining to the claimed \$4 billion additional cost of educating all students in government schools, emphasised in many independent sector submissions and media releases (eg. Annesley 2004; Scotch Oakburn 2004; ISCA 2004), is not relevant to this question and have thus not been dealt with in this paper.

The outcomes of continuing with the 'entitlement plus need' approach (and the current entitlement of 20% of AGSRC) have been mentioned throughout this paper. To summarise from section 2.6, it has been found that

- competition between schools accentuates inequalities;
- there is no evidence that market choice benefits disadvantaged students;
- independent schools with greater resources than government schools are using public funds to extend their resource advantage rather than improve accessibility;
- the drift to non-government schools is accelerating, and is concentrated in above-average income families; and
- the nation's wealthiest schools have received the highest proportional increase in funding in the last five years.

It is especially notable that tuition fees in non-government schools have continued to increase despite record levels of public funding. To some extent this is due to the continual increase in the cost of education, but in essence what we are witnessing is that schools with extraordinary resources are also raising their fees at rates well above the cost of inflation (Doherty 2004). In effect this means that public funds serve no purpose except to contribute to the further improvement of facilities at these schools to levels government schools cannot hope to ever achieve.

The submission of the NSW Public Education Council (2004: 10) bears repeating here:

"Either the standard of resources the Government is supporting in high-fee non-government schools is appropriate for all schools [in which case it should raise funding to these levels] ... or it is not appropriate for the Commonwealth to be contributing to such standards for a privileged minority of students."

Earlier reference was made to the outcomes of the current approach to public funding, in which it was demonstrated that “the current system ensures that it is the children of those already in privileged positions who will end up taking over those positions in the decades ahead” (Hayward & Esposto 2004: 34). This runs counter to basic principles of justice which demand that nobody should be rewarded or punished on the basis of the accident of which family they were born into (Rawls 1973). If the church is serious about following Jesus on the path of discipleship, it must commit itself to overcoming structural injustices which reinforce educational advantage even if this means advocating for funding priorities which may be counter to the perceived interests of Uniting Church schools. As the Queensland Synod Schools Commission (1999: 8) wrote, “it is not good enough, and it is a betrayal of the Gospel, if the church accepts or condones a discriminative and unjust enterprise as an unchangeable reality of life.” It would be simply hypocritical for the church to be “fearless advocates on social justice ” (UnitingCare NSW.ACT 2004) except when it comes at a cost to ourselves.

4.2 Crossing the Divide

A number of commentators have considered the apparently intractable conflict between ‘public’ and ‘private’ schools (as the debate is usually framed) and wondered if it needs to be this way. Noting the absence of this debate in most other OECD countries, Brian Caldwell, Dean of Education at Melbourne University, and others have called for a reshaping of the idea of a ‘public’ school to include non-government schools that subscribe to public values, including access, equity and choice; that draw most or all of their resources from the public purse; and that are held to account for their performance (Caldwell 2002: 10).

This is the model currently in place in the United Kingdom, Aotearoa/New Zealand and the Netherlands, where no distinction is made on the basis of ownership per se. For example, Catholic systemic schools in New Zealand are ‘integrated’ into the public school system, and receive the same funding and observe the same rules and requirements as those owned by the government (Bonnor 2005).

In these nations, policies on access apply to all public schools, public schools may not charge fees, and there is a common framework on accountability. A non-public school that seeks to constrain access, wishes to charge fees, and rejects a framework of accountability may not receive public funds and is properly classified as an independent, private school. Such schools constitute a small minority of about five percent. All other schools, whether owned by a public authority or by a non-public authority, are deemed to be part of the system of public education (Caldwell 2002: 6; ‘public’ here is used in the sense advocated, not the UK usage).

Caldwell identifies a set of values that he considers constitutes a ‘public’ identity beyond the basic requirements of curriculum and minimum standards – choice, equity, access, efficiency, economic growth and harmony. He proposes a ‘framework for partnership’ in which “public education shall refer to a system of schools that subscribe to certain public values, including access, equity and choice; that draw all or most of their resources from the public purse; and that are held to account for the outcomes” and that increasing government funding be matched by reduced fees in these non-government, public schools (2002: 10).

The NSW Secondary Principals’ Association (2004: 6-7) is positive about the idea, but points out the proposed list of public values is inadequate, and that a public charter would need to include everything about the school, including curriculum, management practice, diversity of enrolment, student welfare, employment of staff, and upholding community values. For example, they point to current exemptions from elements of the Anti-Discrimination Act available to religious schools as antithetical to such a public charter, as is the absence of the requirement for all teachers to hold education degrees as they do in the public sector today.

A question to be resolved is how such a 'public charter' would work in relation to faith-based schools providing religious education. In Aotearoa/New Zealand this does not provide a significant tension: the Catholic school system is happily integrated into the public system and are still able to operate fully as 'Catholic' schools (Lynch 2003).

Two brief hypothetical case studies may help to explain this concept:

'Community College' is a small, low-fee independent Christian school operated by an organisation created by members of a local church. It already has policies requiring formal teaching qualifications and does not discriminate on the basis of race or sexuality in employment or acceptance of students. It signs the public charter, makes some minor operational changes such as increased reporting for accountability, and reduces fees while receiving greater government funding. It becomes a 'public school' while remaining owned and operated by the church organisation.

'Fancy Grammar' is a high fee, well resourced independent school belonging to a very religious organisation. It is not prepared to sign the public charter because it does not believe it is consistent with the organisation's religious beliefs, and because the organisation is happy to retain the privileged position and reputation of the school. The school is classified 'independent' and progressively loses its public funding.

4.3 Conclusion and Recommendations

There is a clear inconsistency between Uniting Church claiming social justice is a central part of its mission and at the same time advocate for continued or increased funding of wealthy independent schools (including its own) on the basis of the principle of 'entitlement'. This is precisely what happens at the moment. In the absence of a formal Synod or Assembly resolution, Uniting Church schools represent themselves and are represented by the Independent School Council of Australia, which currently takes the 'entitlement' view. At the same time, UnitingCare advocates for funding priorities aimed at equality of opportunity. The Victorian experience in 2000 points to the dilemma of this contradiction.

The Synod should therefore make a clear statement about public funding of schools on the basis of 'need', which brings consistency with its general statement about government distribution of resources, in which it calls on the NSW Government to "give priority in the allocation of government resources to those groups which are currently most disadvantaged" (88S/292).

Recognising that the provision of 'entitlement grants' is in conflict with a needs-based funding model, the Synod should oppose its continuation in the allocation of Commonwealth and State funding for schools. It would seem the most reasonable mechanism would be to begin by freezing the amounts of these grants and gradually over time reducing them so as to provide time for affected schools to adjust.

If the Synod is concerned about the impact on its schools of the strict principled approach recommended, it could alternately make a pragmatic compromise and stop at the freezing of the basic grants. Over time these grants would thus lose value in real terms, but not disappear, while new funding would be directed to overcoming disadvantage. This paper does not recommend this option because it represents a moral compromise on the demands of the Gospel.

In the long term, the notion of reshaping the idea of what makes for a 'public' school has great merit as a mechanism for ensuring social cohesion, consistency in provision of education, and overcoming the divisive debates about allocation of public funding. However

a number of key issues remain to be resolved. The Synod should commend this idea for further debate within the church and in society generally.

The specific recommendation of this paper is that the education policy to be sent to the NSW Synod for approval contain the following two paragraphs:

1. *“The church will advocate that government funding be distributed to government and non-government schools in such a way as to promote equality of educational opportunity, within the context of*

1. *governments’ primary responsibility to adequately fund public schools,*
2. *promoting a socially and culturally cohesive society*
3. *public financial and educational accountability for public funds, and*
4. *the effective use of public funds.*

The church does not support the idea of entitlement to a basic grant that applies no matter what the resources of the school are.”

This paragraph is essentially a restatement of the MCEETYA principles on funding of schools (2002) endorsed by all state and territory governments, with the clarification added at the end.

2. *“The church supports further consideration of the idea of reworking the notion of ‘public schools’ to include non-government schools that subscribe to a public charter covering curriculum, operations, access, student welfare and community values; that draw most or all of their resources from the public purse; and that are held to account for the outcomes; and providing public funding to these schools but not to those that choose to remain ‘independent’ (i.e. along the lines of the New Zealand model).”*

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