

CHAPTER 13

INVESTING IN YOUNG PEOPLE AND OUR FUTURE: A TEN-YEAR PLAN FOR IMPROVING THE NSW PUBLIC EDUCATION SYSTEM

The recommendations presented in the preceding twelve chapters of this report represent more than a series of discrete investments in improving particular aspects of the NSW public education system. Together the recommendations constitute a plan for renewing and extending some of the major purposes of public education. The evaluation of the changes that have been proposed requires not only consideration of the rationale provided for them in earlier chapters, but also the contribution that each recommendation makes to the overall functioning of the system.

Before embarking on that exercise the Inquiry needs, in general terms, to address the question of the scale and cost of the recommended changes. From even a cursory examination of the estimated costs, the amounts involved could seem high, particularly if one were unfamiliar with the magnitude of State and Commonwealth expenditures on 'big ticket' items like health and education. For example, NSW has budgeted to spend more than \$5.5 billion on school education in the financial year 2002/03. Some would be reassured by the scale of such expenditures, believing that they reflect this country's commitment to education and knowledge generation in its varied forms. Many Australians are accustomed to thinking of their country as being a relatively well-educated nation that invests substantially in knowledge development. They generally believe that we are well placed to compete in the global knowledge economy because of that sustained investment²²².

One's response to the scale of the additional investments in school education recommended by this report could be coloured by beliefs of the aforementioned kind. The Inquiry believes that in order for balanced judgements to be made about the reasonableness of the recommended expenditures a number of issues, some broad and bearing on Australia's standing as a knowledge nation, others focused more narrowly on our spending on public education, must first be considered:

1. How, in fact, does our nation rank internationally as an investor in the generation and dissemination of knowledge?
2. What place does education occupy within the general picture of government expenditures?
3. How is the investment in school education distributed, especially between the public and private sectors, and with what consequences for social equity?
4. What social and economic benefits derive from investment in education and what 'opportunity costs' are associated with alternative expenditures?
5. What opportunities exist for re-directing investments
 - i. within the education sector, and
 - ii. across sectors, in support of the improvements recommended by this report?

²²² Callan, P. M., Finney, J. E., (2002) "Assessing educational capital: an imperative for policy," *Change*, July-August, V34, i4, p. 25

1. KNOWLEDGE INVESTMENT

Comparison of knowledge investment

Key points:

- i. Australia is falling behind most of the major developed nations in investing in knowledge. Should Australia's level of investment in sectors contributing to the knowledge economy continue, the economic future of the country appears bleak;
- ii. Australia ranks 14 out of 19 OECD countries in a comparison of the proportion of young people who are not in full-time education and not in full-time employment.

A recent report coordinated by the Monash Centre for Research in International Education (2001)²²³ throws light on the issue of Australia's level of investment in knowledge. The report identifies three things as being crucial to a nation's short-term economic capability within the global knowledge economy. They are education, research and development, and information and communications technologies. These three areas comprise what the OECD calls an index of "Investment in knowledge." OECD data shows that considered in this broad way, Australia is falling behind most of the major developed nations in investing in knowledge. According to the Monash report, education policy has in recent times been dominated by the drive to reduce fiscal costs at the expense of national capacity:

Once an above-average investor in education, Australia is now well below the OECD average. Private investment has increased sharply, but largely in the form of student fees rather than industry funding. Public funding has been depressed so effectively that total (private and public) funding has continued to fall as a proportion of GDP ... Pre-school funding and participation are lamentable by international standards²²⁴.

Viewed from this general perspective of investment in knowledge, in the mid-1990s Australian investment of that kind as a share of GDP was 30.4% below that in Sweden, 23.8% below that in the USA and 18.4% below that in a group of countries including Finland, Denmark, France, the UK and Canada. The available evidence indicates that investment in knowledge in Australia has fallen further relative to international trends since 1995.

Turning specifically to investment in education, an OECD tabulation of public expenditure on educational institutions as a percentage of GDP reveals that Australia occupies a very modest 22nd rank position among the 29 countries listed²²⁵. With respect to the place of school education within the knowledge economy, the Monash report states that to do well a country requires a literate, numerate and inventive workforce. Participation in pre-school has a bearing on the attainment of that goal. In 1998 Australia spent 0.1% of GDP on pre-school education which was considerably less than the 1.1% spent in Denmark, 0.7% in France and 0.6% in Norway and Sweden. At the other end of the school years, the number of Australian students reaching Year 12 reached a high of 77.1% in the early 1990s but thereafter slipped backwards to 71.6% by 1998²²⁶. By 2001 Australia ranked in the bottom half of OECD countries with respect to school

²²³ Considine, M., Marginson, S., Sheehan, P., Kumnick, M., (2001) *The Comparative Performance of Australia as a Knowledge Nation*, Melbourne, Monash Centre for Research in International Education

²²⁴ *Ibid.*, p.3

²²⁵ OECD, (2001) *Education at a Glance, OECD Indicators* Paris, p. 80

²²⁶ *Ibid.*, p. 15

retention (ranking 17 out of 28 countries).²²⁷ Australia appears to be the only OECD country in which school participation rates have been falling in the 1990s²²⁸.

Of particular concern, both from the points of view of the prospect of leading an unfulfilling life as well as marginal participation in the economy, are those young people of post-compulsory school age identified as being 'at risk'²²⁹. These are young people who are not in full-time education and not in full-time employment. Australia ranks 14 out of 19 OECD countries in a comparison of the proportions of 'at risk' 15-19 year olds²³⁰.

Table 13.1: Proportion of 15-19 year olds not in education and not in full-time work (1999)

OECD country	Rank	% 15-19 yr. olds 'at risk'
Poland	1	7.5
Denmark	2	9.8
Germany	3	11.3
Belgium	4	11.5
Greece	5	11.8
Finland	6	13.9
United States	7	15.2
Portugal	8	16.0
Switzerland	9	16.1
Netherlands	10	16.6
Hungary	11	16.8
Canada	12	17.2
Sweden	13	18.1
Australia	14	19.4
Spain	15	23.5
Mexico	16	23.6
Czech Republic	17	23.6
Italy	18	23.8
France	19	25.9

The Prime Minister's Youth Pathways Action Plan Taskforce had in mind the young people behind the above Australian statistic when urging that "We must invest in a system of education, training and community support which equips all young people with the capacity to participate in the social and economic life of their community. Failure to do so condemns some young people to life on the margins"²³¹. The previously cited Monash report, taking a more explicitly economic view of the situation, declares that should Australia's low level of investment in sectors contributing to the knowledge economy continue, the economic future of the country appears bleak. Australia will fail to become a leading producer of knowledge economy products and services with further adverse consequences for our trade position, and for the level and character of jobs and opportunities. This conclusion is

²²⁷ Cited in Dusseldorp Skills Forum., (2001) *How Young People are Faring. Key Indicators 2001*, <http://www.info@dsf.org.au/papers/o1/hypaf01/hypaf2001.htm>

²²⁸ Spierings, J., (1999) "A crucial point in life: learning, work and young adults," (pp.5-27) in Dusseldorp Skills Forum, *Australia's Young Adults: the Deepening Divide*, Dusseldorp Skills Forum

²²⁹ Dusseldorp Skills Forum, (2001) op. cit., pp. 3-5

²³⁰ Based on OECD, 2001, *Education at a Glance*, Tables E3.1 and E4.1, cited in Dusseldorp Skills Forum, 2001, p.15

²³¹ Prime Minister's Youth Pathways Action Plan Taskforce, (2001) *Footprints to the future, Summary Report*, Canberra, AusInfo, p. 8

supported by the findings of a recent OECD study of economic growth that indicated that the economy-wide returns to investment in education may be larger than those experienced by individuals²³².

Consideration of the effects of education would be incomplete without reference to the social benefits for individuals and the community at large²³³. A range of such benefits is considered below. First, the level of investment in school education by Australia and New South Wales is examined in the context of social expenditures generally, and a comparison is made of those investments with the outlays on school education of comparable countries and economic competitors.

2. EDUCATION AND GENERAL GOVERNMENT EXPENDITURES

General government expenditure

Government expenditures compared

Key points:

- i. Australia ranked 20 out of 28 OECD countries compared on public social expenditure in 2001;
- ii. While Australia occupies a mid-position on the OECD ranking of government expenditures on school education the statistics cover both private and public education.

The capacity of any country or state to invest in knowledge is obviously affected by the revenues at its disposal. The latter can be shaped not only by economic fortunes but also by policies concerning the proportion of wealth generated that is used for public purposes. Over the past two decades in Australia, Commonwealth Government expenditures ('payments') expressed as a percentage of GDP, have tended to decline, as shown in the following table. The point for present purposes is not the wisdom or otherwise of the policies behind the statistics, but only that such policies have consequences for spending on public administration. The same observation can be made about the revenue consequences of the sale of government enterprises, the current Commonwealth budget papers declaring "The decrease in consolidated PNFC (Public non-financial corporations) revenue and expenses as a share of GDP in recent years is partly attributable to the privatisation of PNFCs by both the Commonwealth and state/local governments"²³⁴.

Table 13.2: Commonwealth payments²³⁵ 1982/83 - 2001/02 and 2002/03, as %GDP

1982/83- 1986/87	1987/88- 1991/92	1992/93- 1996/97	1997/98- 2001/02	2002/03
27.7%	24.5%	26.0%	23.8%	22.7%

²³² Organisation for Economic Cooperation and Development, (2000) "Links between policy and growth: Cross-country evidence," *Economic Outlook*, December, Issue 68, pp. 133-154

²³³ Stacey, N.,(1998) "Social benefits of education " *The Annals of the American Academy of Political and Social Science*, September, Vol. 559, pp. 54-63

²³⁴ Budget Paper No. 1, (2002-03) Statement 8: Trends in Public Sector Finance; Part II: Fiscal balance, p.1

²³⁵ Based upon Budget Paper No. 1, Statement 13, Table 1: Commonwealth general government sector cash receipts, payments and surplus. From 1999-00 onwards, data are derived from an accrual ABS GFS reporting framework.

Australia is among the countries where public spending as a proportion of GDP is low. For example, Australia ranked 20th out of 28 OECD countries compared on public social expenditure in 2001²³⁶. The OECD points out that in countries where public spending is low as a proportion of GDP, such as Australia, Ireland, Korea and Mexico, the proportion of public expenditure devoted to education is relatively high²³⁷. While Australia occupies a mid-position on the OECD ranking of government expenditures on school education²³⁸ the statistics cover both private and public education. The relative investment in each sector is not known for OECD countries. So far as Australia is concerned, a factor to be kept in mind is that in 1995/96 direct Commonwealth expenditure on schools as a proportion of GDP was 0.65%, public schools receiving 0.27% and private schools 0.38%. By 2000/01 the total outlay had reached 0.75% of GDP, with public school expenditure declining to 0.26% and private school expenditure rising to 0.48%²³⁹.

Expenditure on education in New South Wales: public schools

Funding for public education in New South Wales comes from two sources: funds provided through the Department of Education and Training and funds from private individuals. In relation to funds from parents and carers, the DET does not aggregate these in terms that enable a state level of contribution to be gauged. However, comparative figures of per capita amounts collected in groups of high, medium and low socio-economic schools were presented in an earlier chapter of this report and are briefly revisited below. In addition, the NSW Department of Transport funds the School Student Transport Scheme, which provides free transport to school for eligible students. This is briefly described below in a section on possible offsets to proposed new expenditure outlined in this report.

Comparison of state expenditures

Key points:

- i. Within a nation with relatively moderate to low levels of knowledge investment, New South Wales spends significantly less per primary student than all states except Western Australia, and significantly less than the national average;
- ii. New South Wales spends less than any other state on secondary education, and significantly less than the national average.

Funding through the DET includes general recurrent grants provided to the states by the Commonwealth government and specific purpose grants provided to New South Wales by the Commonwealth specifically for education through the *States Grants (Primary and Secondary Education Assistance) Act 2000*. Expenditure on government schools in New South Wales constitutes the largest component of New South Wales expenditure on education (which totals over \$7.5 billion). In 2002-2003, this figure is estimated to be \$5585.8 million (or just over \$5.5 billion), which compares with an expenditure of \$5447.1 million for the previous year, a difference of \$138.7 million.

²³⁶ OECD, (2001) *Education at a Glance, OECD Indicators*, Paris, p. 97

²³⁷ *ibid.*, p. 100

²³⁸ Primary, secondary and post-secondary non-tertiary education

²³⁹ Department of Education, Science and Training, Senate Legislation Committee – Questions on Notice 2001-2002 Additional Estimates Hearing, DETYA Question No. E309

It is in considering sums of this magnitude that those unfamiliar with the scale of government budgets need to exercise caution lest seemingly large allocations of money to particular areas of administration cloud the issue of comparative expenditures. It is essential to relate the \$5.5 billion in question to the size of the student population and compare the *per student* expenditures with those of the other states. First, between 2000-01 and 2001-02, actual expenditure on government schools and pre-schools in New South Wales increased from \$5178.3 million to \$5477.1 million, an increase of \$298.8 million, or 5.8% before taking inflation into account. These figures suggest a small increase in funding for education in New South Wales, one largely likely to reflect increasing costs (such as salaries and consumables) rather than significant new activity. Table 13.3 below provides a breakdown of this expenditure. This table indicates that very little funding is provided to students in pre-schools attached to government schools in New South Wales, as noted in Chapter 3 of this report. In fact, less than 2,300 students attended such pre-schools in 2001-02. This is an area in which the Inquiry urges the state government to increase its investment. Second, the table indicates that between 2000-01 and 2001-02 funding for primary education increased by 5.9% and for secondary education by 5.6%.

Table 13.3: Revised budget estimates/actual expenditure on government schools, 2000-01, 2001-02 and 2002-03²⁴⁰

	2000-01 (actual) \$000	2001-02 (actual) \$000	2002-03 (estimate) \$000
Pre-school education services in government schools	15,599	16,376	18,072
Primary education services in government schools	2,655,402	2,812,041	2,850,001
Secondary education services in government schools	2,507,259	2,648,653	2,717,774
Total	5,178,260	5,477,070	5,585,847

These figures translate into indices that enable comparisons between the provision of public education in New South Wales and in other states. Table 13.4, taken from the *National Report on Schooling in Australia: 2000*, gives the average per capita expenditure on students in primary and secondary government schools for the financial years 1998-'99 and 1999-'00.

²⁴⁰ Ibid. and *Budget Estimates 2002-2003 New South Wales*, Budget Paper No. 3 – Volume 1. Figures are taken from the relevant pages covering expenditure and estimated expenditure in the two major government school funding programs, pre-school and primary education services (which breaks down into pre-schools and primary education) and secondary education services.

Table 13.4: Per capita funding of students in government schools by state by level of education, 1998-99 and 1999-00, accrual accounting (in dollars)²⁴¹

	1998-99	1999-00	1998-99	1999-00
	Primary		Secondary	
NSW	5,741	6,092	7,987	8,113
Vic	6,528	6,662	8,501	8,753
Qld	6,825	7,249	8,409	8,896
SA	6,326	6,578	8,569	8,637
WA	5,547	5,950	8,041	8,217
Tas	6,685	7,017	8,121	7,935
NT	10,025	11,266	15,299	15,021
ACT	6,512	6,728	8,911	8,995
Australia	6,258	6,585	8,328	8,540

As expected, Table 13.4 indicates that more is spent on secondary students than primary students, in part because of reduced class sizes and specialist teachers associated with upper secondary school. When these figures are compared with those of other states, two observations deserve mention. First, on the latest available figures (1999/2000), New South Wales spends significantly less per primary student than all states except Western Australia, and just under \$500 per student less than the national average. Second, New South Wales spends less than any other state on secondary education, and over \$400 less than the Australian average. A range of factors affects the cost of educating a student in each state. For example, it costs very much more to educate students in the Northern Territory, due to distance, a larger number of smaller schools and isolation. Because of relatively small numbers of students in the Northern Territory compared with the other states, the national average is little affected by the inclusion of the Territory's costs. According to the Productivity Commission,²⁴² part of the explanation for the New South Wales position is due to comparatively lower expenditures in the 'out of school' category²⁴³. However, on the face of it, there would seem to be no clear reason why New South Wales should be so far behind states like Victoria, Queensland and South Australia.

Budget consequences of NSW investing at national average/student

Key points:

- i. If NSW's investment in primary students matched the Australian average that would add (conservatively) \$218 million to the state's education budget;
- ii. If NSW's investment in secondary students matched the Australian average that would add (conservatively) \$100 million to the state's education budget.

In calculating the budget implications if New South Wales were to invest in primary and secondary students at levels equal to the national averages, the Inquiry believes it should err on the side of being conservative. Therefore, it acknowledges the increased expenditure on New South Wales school education between 2000/01 and 2001/02 of 5.8%. It can be assumed that cost pressures have affected state education budgets generally but for the present purposes the differences between

²⁴¹ Source: *National Report on Schooling in Australia: 2000*. Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA), Appendix 1: Statistical Annex, Table 27, p. 30. Figures for 1998-99 have been recalculated in terms of accrual accounting.

²⁴² Report on Government Services 2002, Steering Committee for the Review of Commonwealth/State Service Provision: www.aeufederal.org.au/Debates/index2.html (May, 2002)

²⁴³ NSW has lower 'out of school departmental overheads' or administrative costs than other states.

New South Wales average expenditures and the corresponding national averages will be reduced by half of the above-mentioned New South Wales increase, that is, $\frac{1}{2} \times 5.8\% = 2.9\%$. Furthermore, of the figures presented in Table 13.4 covering average expenditures for consecutive years, the two NSW/national average comparisons that are most favourable to New South Wales will be used. That is to say, the difference of \$493 for primary school students in 1999/2000 will be discounted to \$478.70 (\$493.00 - 2.9% or \$14.30), and the difference of \$341 for secondary school students in 1998/99 will be reduced to \$331.10 (\$341 - 2.9% or \$9.90).

After making the above adjustments the Inquiry (conservatively) estimates that if New South Wales were to invest in the education of primary and secondary school students at the level of the national average, the state's school education budget would need to be increased by the following amounts²⁴⁴:

Primary.....	\$478.70 x 455,914 students = \$218 million
Secondary.....	\$331.10 x 303,709 students = \$100 million
Total	\$318 million

Teacher/student ratios

Key point:

- i. Staff/student ratios are higher in NSW primary schools than in primary schools elsewhere in Australia.

Another way of looking at this differential, one that provides a possible clue in relation to primary students, comes from another table in the *National Report on Schooling*, which looks at full-time equivalent student-teacher ratios. Table 13.5 below presents these figures.

Table 13.5: Full-time equivalent (FTE) student: teacher ratios by level of education by state, 2000²⁴⁵

	Primary	Secondary
NSW	17.7	12.5
Vic	16.9	12.5
Qld	16.7	12.4
SA	17.2	11.3
WA	17.3	12.5
Tas	15.8	12.9
NT	13.8	10.8
ACT	17.0	12.5
Australia	17.1	12.4

Table 13.5 indicates that staff-student ratios are higher in New South Wales primary schools than in any other primary schools in Australia. This is in part because of larger class sizes in the infant years in New South Wales schools. In Chapter 3 of the report, the Inquiry has recommended a significant reduction in class sizes in kindergarten through to Year 2, commencing in areas of socio-economic disadvantage.

²⁴⁴ Student figures derived from most up-to-date source, *National Report on Schooling in Australia: 2000*, op. cit.,

²⁴⁵ Ibid. Table 20, p. 23.

In relation to secondary schooling, it is less easy to interpret the smaller comparative expenditure in New South Wales. As Table 13.5 suggests, staff-student ratios in New South Wales secondary schools are similar to those in other states and to the national average. Various aspects may be relevant, including the average size of secondary schools in the different states, and aspects such as isolation, as noted above. It is relevant to recall that compared with Queensland and Victoria, New South Wales has lower retention rates to Year 12²⁴⁶. This means that there are fewer students in the more expensive upper secondary years. While this may reduce the *per capita* average, it would be false economy to suggest that this is positive. It simply means, as outlined earlier in this chapter, that there may be proportionately more students in New South Wales at longer term risk as a result of failing to complete school, than in those other states.

Funding from individuals

The second component of expenditure on public education in New South Wales is provided by individuals. There are three main kinds of payments made by parents of students in government schools and by the local community: course fees, 'voluntary' contributions, and funds provided to schools by P&C associations or in relation to fundraising ventures by schools such as canteens, uniform shops, raffles and fetes, and fees for community use of school facilities. As indicated, it is not possible to provide a total 'individual expenditure on public education' figure for New South Wales. However, in Chapter 8, the Inquiry compared the funds raised by parents in high, medium and low SES schools. The total amount of school-generated revenue for the 120 schools in the survey was \$23.82 million, suggesting a significant amount of such revenue raising. But these figures indicated clearly that how much each school raised was closely related to the socio-economic status of the school, with schools in high socio-economic areas outperforming those in medium and low socio-economic areas very significantly. This underscores the importance of the government providing sufficient funds for all public schools to have the teachers, textbooks and other resources that they require, as well as adequate physical facilities in which to teach and learn.

3. DISTRIBUTION OF THE PUBLIC INVESTMENT IN SCHOOL EDUCATION

NSW Government expenditure on non-government schools

Government expenditure on non-government schools

Key points:

- i. The state government provides considerable recurrent funding for non-government schools. The estimate of state funding for non-government schools in 2002-'03 is \$543 million;
- ii. NSW spends 25% of the average recurrent funding per government school student on non-government school students;
- iii. Students with special needs, requiring additional funding, are more concentrated in public schools.

²⁴⁶ For the year 2000, NSW had a male estimated retention rate to Year 12 of 59% and female rate of 72%. This compares with 61% (male) and 76% (female) in Victoria, 68% (male) and 77% (female) in Queensland, and average figures for Australia as a whole of 61% (male) and 74% (female). Source: *National Report on Schooling in Australia: 2000*. Ibid. Table 38, p. 41.

Funding for non-government schooling in New South Wales takes three main forms: Commonwealth funds provided through the state budget, direct Commonwealth funding to non-government schools and school systems (through the States Grants Act), and funding by individuals. In considering state expenditure below, it is important to note that direct Commonwealth funding to non-government schools has always been proportionately greater than state funding, and has increased very considerably since 2001, due to the new SES (socio-economic status) funding model now used to calculate the funding for non-government schooling in New South Wales.

The state government provides considerable recurrent funding for non-government schools. The estimate of state funding for non-government schools in 2002-03 is \$542.9 million. Actual expenditure for 2000-2001 was \$479.6, and for 2001-02 was \$513.1 million, an increase of 7%. This is a higher increase than for expenditure in government schools, due in part to an increase in enrolments in non-government schools, and in part to the legislative requirement that non-government schools receive, on average, 25% of the average per capita cost to the state of educating a child in a government school. There are some expenditures on government schools that do not flow on as part of the 25% provision. On the other hand, there are expenditures incurred for government school students, for example, in relation to curriculum development that also benefit non-government students but are not included within the 25% linkage scheme. By way of comparison, direct Commonwealth expenditure to non-government schools for calendar year 2000 was \$973 million (see below).

The disaggregation of state funding to New South Wales non-government schools is presented in Table 13.6 below. Table 13.6 shows, as expected, that the largest proportion of the increase in funding for students in non-government schools has occurred because of an increase in per capita payments for those students. As noted in Chapter 12 (on governance), the number of students in non-government schools in New South Wales has risen steadily for a number of years. During the ten years from 1991 to 2000, the proportion of full-time students in non-government schools rose from 28% to 30.6 %²⁴⁷. In addition, as noted in Chapter 4, the number of new non-government schools in New South Wales increased significantly between 1991 and 2000 (by 100 or 44, depending on whether or not separate campuses of schools are counted), while the increase in government schools was minimal (11)²⁴⁸.

²⁴⁷ *National Report on Schooling in Australia: 2000*, Op. Cit., Appendix 1, Table 3, page 3.

²⁴⁸ *Report on Government Services 2002*, Steering Committee for the Review of Commonwealth/State Service Provision [online] Available <<http://www.pc.gov.au/gsp/2002/index.html>>, [June 2002] Attachment 3A Table 14.

Table 13.6: Actual/estimated NSW government expenditure on non-government schools, 2000-01, 2001-02 and 2002-03 (\$000)²⁴⁹

	2000-01 (actual)	2001-02 (actual)	2002-03 (estimate)
Per capita funding, primary students	178,514	190,267	197,248
Per capita funding, secondary students	229,397	247,892	270,352
Interest subsidies on loans for new buildings	35,227	36,379	38,044
Back to School allowance	16,710	17,425	17,831
Textbook allowances	7,806	8,253	8,689
Other grants/expenses	11,905	12,835	10,742
Total	479,559	513,051	542,906

The *25% per capita funding linkage* between government and non-government schools is important and of concern. This figure means that every time average per capita expenditure on students in government schools increases, recurrent per capita funding to students in non-government schools also increases. In New South Wales, this funding is distributed to non-government schools by pooling the total amount, and allocating funds to non-government schools on the basis of the resources available to a school for recurrent purposes (based on 12 categories of funding level). This means that schools that charge lower fees receive more funding from the New South Wales government, and schools with higher fees, less.

While these arrangements may sound fair, in practice, they contain anomalies. In particular, a linked percentage increase assumes that on average, students in non-government schools cost about the same to educate as those in government schools. There is much evidence to suggest that this is a false assumption. Three examples will illustrate this point.

First, statistics indicate that 4.2% of students in government schools in New South Wales have disabilities, but only 2.6% of students in non-government schools²⁵⁰. The New South Wales Government has significantly increased funding to students with disabilities in recent years. This means that the average per capita expenditure for students in government schools has risen, and this causes the 25% figure for students in non-government schools to rise as *if* the numbers of students with disabilities were equivalent in the two kinds of schools. Second, Indigenous students make up 3.9% of students in New South Wales government schools but only 0.9% of students in non-government schools²⁵¹. Many indigenous students require additional assistance with literacy and numeracy, or live in isolated areas, and so are more expensive to educate, and yet any increase in funding for these students benefits students in non-government schools, few of whom are indigenous.

Third, and most important in terms of its impact, the proportion of students from low socio-economic backgrounds is significantly skewed towards government schools. A recent research paper analysed this by comparing the proportion of

²⁴⁹ *Budget Estimates 2002-2003 New South Wales*, Op. Cit., *Budget Estimates 2001-2002 New South Wales*, Op. Cit.

²⁵⁰ *Ibid.*, Table. 12.

²⁵¹ *National Report on Schooling: 2000*, Op. Cit. See Appendix 1, Statistical Annex, Table 4, page 4 and Table 5, page 5.

students enrolled in government, independent²⁵² and Catholic schools according to socio-economic status (SES) broken down into deciles. In Figure 13.1 below, if students from all socio-economic backgrounds were evenly distributed among the three types of schools, the graph would be flat along the 10% line. Instead, students from lower SES backgrounds (the bottom 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 two SES deciles (the highest 20%). 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. Elsewhere in this report, evidence is provided of the additional educational needs of students from low socio-economic backgrounds. However, the point to be made here is that any additional funds provided to poorer schools in New South Wales through programs such as the Priority Schools Funding Program, also benefit wealthier students in independent schools through the 25% funding linkage. In other words, whenever the government tries to improve the lot of disadvantaged students in government schools, students who attend non-government schools, many of whom are not disadvantaged, automatically benefit through a follow-on effect.

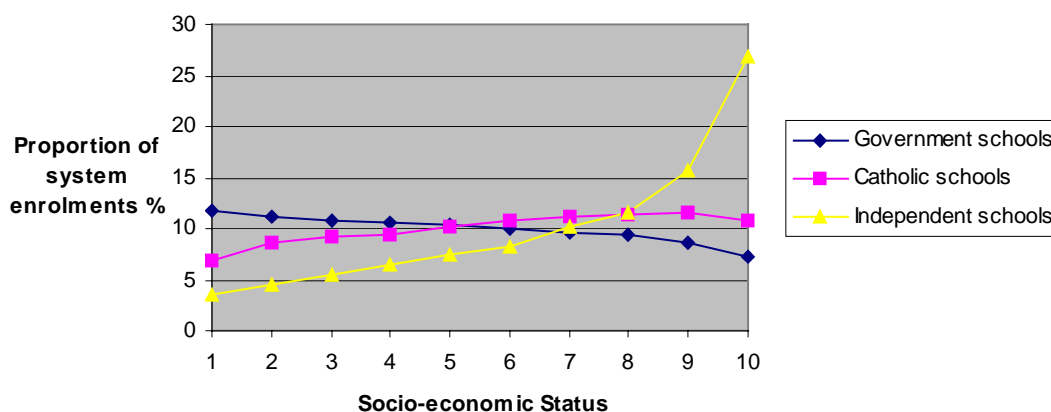


Figure 13.1 Proportion of students from different socio-economic groups enrolled in government, Catholic and independent schools

The 25% figure has remained stable since 1992, despite the fact that the Commonwealth government has significantly increased its contributions to non-government schools over the same period. The point at issue here is not the fact of support for any one sector but rather the distribution of resources in support of the fundamental principle that all children and young people should have an equal opportunity to fulfil their educational potential. The present report has identified many impediments to the realisation of that principle within the public education

²⁵² Independent schools include those that are not part of the Catholic system. Some of these are small Christian and other religious schools. Most of the wealthiest non-government schools in Australia are also included with the independent school category. Mukherjee, D. 1999, Socio-economic Status and School System Enrolments. Australian Centre for Equity through Education. [online] Available www.aeufederal.org.au/Debates/index2.html [May 2002]

system. The Inquiry, accordingly, has recommended a range of improvements that have as their ultimate justification the enhancement of students' learning. Those improvements cost money and one of the issues for government is whether sustaining the 25% per capita funding linkage without regard for the resources available to non-government schools is denying public school students the equal opportunity to which they should be entitled. If it could be demonstrated that even with Commonwealth funding and private fees, some non-government schools in New South Wales have fewer recurrent resources than do government schools, then top-up funding could more readily be justified on a targeted basis for those schools. However, in practice, all non-government schools in New South Wales receive some per capita funding from both the Commonwealth and the state governments, even though a significant number have recurrent resources (to say nothing of buildings, grounds and facilities) greatly in excess of those of most government schools. This is explored in more detail below in relation to Commonwealth funding of non-government schools.

The second area of funding by the New South Wales Government to non-government schools is provided in the form of interest rate subsidies on capital loans. When non-government schools borrow to build new school facilities they are automatically entitled to have their interest payments subsidised by the state government up to a maximum rate of 10.5%. The only conditions on receipt of the interest subsidy are that the loan should not exceed 85% of the capital cost and that the building standard not exceed the current optimal standard applying to buildings in public schools. There is no means test and schools may borrow for additional facilities while in receipt of a Commonwealth Capital Grant or while in receipt of a New South Wales interest subsidy on a previous loan. A list of schools receiving loan subsidies in 1998/99 and 1999/2000 shows the advantage taken of the scheme by wealthier independent schools. Approximately 10% of the independent schools highest on the Commonwealth's SES index received over 20% of the \$30 million annual total. While improved standards have been set for government schools the majority of schools in the government sector will wait many years for their amenities to be upgraded (see Chapter 6 of this report).

The third component of New South Wales Government funding to non-government schools in Table 13.6 above takes the form of the back to school allowance. This comprises an annual payment of \$50 by the government to each child at school, regardless of socio-economic need. The Inquiry can see no reason why this expenditure (which totals \$58 million for all students in NSW) should not be better targeted, and discusses this at the end of the chapter in a section on possible offsets for proposed additional expenditure. The next item on the list, the textbook allowance, has been rolled into the school global budget for government schools, and is itemised here for students in non-government schools. The 'other payments' item includes funding for the transport of students with disabilities, and other smaller sums.

Direct Commonwealth funding to non-government schools

Commonwealth funding and its effects

Key points:

- i. In 2000, two-thirds of the \$1.5 billion allocated to NSW under the States Grants (Primary and Secondary Assistance) Act, 2000, went to non-government schools,
- ii. In recent years the Commonwealth government has substantially increased its commitment to funding non-government schools. In the case of independent schools the Commonwealth support can provide up to 70% of the cost of educating a student in a government school,

- iii. When the NSW Government component of 25% of recurrent funding is added, Catholic schools in NSW receive on average at least 80% of the average recurrent cost in public schools; several of the comparatively wealthy independent schools receive between 50% and 60% of the recurrent average cost. This does not include the income the independent non-government schools receive from fees which when added to the previous sum can mean that these schools operate at levels of recurrent expenditure that are more than double that of many government schools,
- iv. Over the decade to 2005/06, Commonwealth funding for non-government schools will increase by 128% in real terms compared to an increase in government school funding of 50%.

In order to assess the impact on the education system in New South Wales as a whole of state government spending on non-government schools, it is essential to consider the Commonwealth contribution to these schools, and to assess recent changes in the level of Commonwealth funding.

Figures for the year 2000, prior to the SES funding change, show that the Commonwealth Government provided over \$1.5 billion for schools in New South Wales. As shown in Table 13.7, almost \$1 billion, or two thirds of the total allocated to New South Wales went to non-government schools, which educate about one-in-three students. The major portion of these funds (\$900 million) was in the form of general recurrent per capita grants designed to assist non-government schools in the day-to-day education of students. The table includes Commonwealth funds to government schools in New South Wales for comparison purposes (although in practice, these are rolled into the overall state budget figure of \$5.5 billion).

Table 13.7: Commonwealth financial assistance granted in 2000 to government and non-government schools in NSW, under the States Grants (Primary and Secondary Education Assistance) Act, 1996 (\$000)

Program	Non-Government		Government
	Catholic	Independent	
	\$000		
General recurrent grants	586,052	312,968	385,902
Capital grants	21,130	7,315	75,754
Literacy/numeracy grants	15,975	4,608	60,167
Asian, community and priority languages	3,340	1,139	11,651
Special learning needs (special education and students with disabilities)	9,309	8,404	16,116
ESL new arrivals	1,246	73	14,154
Country Areas program	923	23	5,116
Full Service Schools program	-	-	2,459
Total	637,975	334,530	571,319

Evidence exists that in recent years the Commonwealth government has substantially increased its commitment to funding non-government schools at the expense of government schools. Since 2001, the SES funding model has operated in relation to non-government school funding in New South Wales. This funds non-government schools on the basis of the socio-economic status of the census units from which the school's students come. This area-based approach has been used by governments for similar purposes for decades but it must be noted that it does

not specifically include the actual income of the student's family, the significant levels of private income generated by non-government schools, the assets of non-government schools, and the actual needs of each non-government school. The new funding model means that while Catholic schools (that are outside its ambit) attract funding at the rate of 56.2% of the average cost of educating a student in a government school, other non-government schools can be funded up to 70% of this amount. Added to the 25% recurrent funding automatically provided by the state government, this means that Catholic schools in New South Wales receive, on average from all sources, at least 80% of the average recurrent cost in public schools from government sources. Funding for independent schools varies. For example, on current projections, several small faith-based schools in New South Wales, of varying religious persuasions, will by 2004 receive more than 85% of their funds from the Commonwealth and State governments. Several of the wealthiest independent schools will receive between 50% and 60% of the average recurrent cost in public schools from government. This does not include the income they receive from fees, which when added to the above amounts can mean that these schools operate at levels of recurrent expenditure that is more than double that of many government schools.

To illustrate the funds available to schools the following table compares six New South Wales secondary schools, three government and three non-government, paired in terms of similar size and similar location. The point of the table is to compare the average funds available for educating students, given the society's declared goal of providing the opportunity for each child to develop to the extent of her or his abilities. The table shows recurrent funds received from Commonwealth and State governments and income received through fees and in the case of government schools, through parent contributions. The marked differences between the high SES schools will be even greater by 2004. Targeted specific purpose funding has been excluded from the calculations.

Table 13.8: Comparison of funds available to comparable government and non-government schools

Socio Economic Status	Non Govt School	a Commonwealth Recurrent Funds '02 ²⁵³ \$	b State Recurrent Funds '02 ²⁵⁴ \$	c Per student Fees '02 ²⁵⁵ \$	Total a.b.c. \$	Govt. School	Per cap. 02. Govt plus Private funds ²⁵⁶ \$
High	Ng A	1,565	726	12,187	14,478	GS A	6,744
Med	Ng B	2,698	1,306	5,800	9,738	GS B	5,699
Low	Ng C	4,107	1,596	4,300	10,003	GS C	6,989

In relation to the earlier discussion of interest rate subsidies, it should be noted that the high socio-economic status independent school referred to in Table 13.8 received interest rate subsidies over two years (1998/99 and 1999/2000) of more than \$500,000, and the three non-government schools together over these two years received nearly \$1.6 million in interest subsidies.

²⁵³ Department of Education, Science and Training, Senate Legislation Committee – Questions on Notice 2001-2002 Additional Estimates Hearing, DETYA Question No. E304

²⁵⁴ NSW DET

²⁵⁵ *Guide to Schools 2002/2003*. 9th Edition. Johnson Media Management Pty.Ltd

²⁵⁶ NSW Department of Education and Training

Importantly, over the period 2001 to 2004, it is estimated that \$815 million nationwide will be given in additional funds to non-government schools. Over the period 1995-96 to 2005-06, this will mean an increase in funding for non-government schools by the Commonwealth of 128% in real terms, compared to an increase in Commonwealth funding to schools of 50%²⁵⁷. This represents a very significant redistribution of funds from the Commonwealth government to non-government schools in Australia. It is also possible to demonstrate that *combined* Commonwealth and State government expenditure on non-government schools has increased disproportionately in New South Wales when compared to funding for government schools.

Table 13.9: Total expenditure (Commonwealth and State) on government and non-government schools after taking account of enrolment changes (NSW, 1996-97 and 2000-01)

	GS Actual (\$m)	3307.2
	NGS Actual (\$m)	962.5
1996-97	GS enrolments	760,078
	NGS enrolments	305,269
	GS \$ per student	4,351
	NGS \$ per student	3,153
	GS Actual (\$m)	4210.20
	NGS Actual (\$m)	1531.58
2000-01	GS enrolments	759,623
	NGS enrolments	334,693
	GS \$ per student	5,542
	NGS \$ per student	4.576
Comparison	\$ Per student increase GS	1,191
	\$ Per student increase NGS	1,423
	% Per student increase GS	27.4%
	% Per student increase NGS	45.1%

Table 13.8 clearly indicates that after allowing for enrolment changes, the percentage increase in per capita funding for students in non-government schools up to 2000-01 has been 45.1%, whereas the equivalent increase for students in government schools is 27.4%. Assuming that additional Commonwealth increases mooted above to 2005-06 are accurate, this differential is likely to increase in coming years. These figures translate into tangible advantages for many private schools over their public counterpart. This in turn puts pressure on parents to choose a private education for their children, even when this may not be their preferred position. Over and again, parents and teachers have reminded the Inquiry that government and non-government schools do not compete on a level playing field. At every stage of the present Inquiry there have been reminders of the degree of imbalance in the resources currently available to private and public schools, which makes comparisons of their respective outcomes fraught.

²⁵⁷ "Commonwealth Funding for Schools Since 1996." (2002) Department of the Parliamentary Library, Research Note 2001-02, No. 48, 25 June. Calculations on which the figures are based were taken from Budget papers and answers to questions asked in Senate Estimates hearings.

It is appropriate to ask why non-government schools require a substantial amount of additional expenditure. From the Karmel report in 1973 to the 1990s, the main aim of Commonwealth funding to non-government schools was to bring them up to an equivalent standard to government schools. This meant that 'need' formed the basis of both recurrent and capital payments during those years. However, during the late 1990s, the arguments for funding shifted from 'need' to 'entitlement'. Under this argument, parents who opt out of the public education system should be accorded the same entitlement to public support for their children's education as parents of children in the government school system²⁵⁸.

While the Inquiry accepts the reality in Australia of continuing aid from both the Commonwealth and State governments to non-government schools, it believes this aid is creating a system in which inequities are being exacerbated rather than ameliorated. It is unrealistic to expect schools that have been in receipt of aid, even if they have comparatively high levels of resources at their disposal, to suddenly and completely forgo government funding. On the other hand, the Inquiry's detailed analysis of the current state of New South Wales public education indicates that higher levels of investment are needed to bring the system up to an appropriate standard. Otherwise one group of children and young people - those attending state schools - are going to be denied the opportunity to develop to their full capacity. Governments have four main choices available to them:

- i. Let the system continue to drift until public education is confined in the role of being a residual system for those who cannot afford something better. This situation does not yet exist and is totally avoidable if appropriate levels of investment are made in improvements such as those summarised later in this chapter;
- ii. Increase the funds available to the state system although as things stand at present, there will be an automatic flow-on of funds to the non-government system;
- iii. Taper the level of support for the non-government schools by giving greater weight to the criterion of need and targeting aid to those schools where funds are needed to avoid disadvantaging the education of young people. The resultant savings could then be directed to the public system to ensure that equality of opportunity also applies to that sector; and
- iv. A combination of options (ii) and (iii).

With respect to available ways in which the targeting mentioned in option (iii) could be effected, the Inquiry indicates some of the ways in which savings could be achieved later in this chapter. In the final analysis, the choices from among the available options are political ones. However, failure to increase funding to the state system will be tantamount to choosing the 'drift' or first option outlined above.

4. THE SOCIAL AND ECONOMIC BENEFITS ASSOCIATED WITH INVESTMENT IN EDUCATION

Early school leaving entails costs not only for the individual but also for society generally. A number of studies indicate that the number of completed years of formal schooling is a more important predictor of health than occupation or income²⁵⁹. Education develops habits, skills, resources and abilities that enable people to

²⁵⁸ "The Commonwealth's Role in Public and Private School Funding" (2001), Submission by the Australian Education Union to the Inquiry.

²⁵⁹ Grossman, M., (1972) *The Demand for Health: A Theoretical and Empirical Investigation*, New York, Columbia University Press

achieve a better life, including the attainment and preservation of health.²⁶⁰. Investment in sustaining young people's schooling increases human capital, "the productive capacity developed, embodied and stocked in human beings themselves"²⁶¹. From the point of view of reducing social outlays, education decreases infant mortality²⁶², the age-specific rates of morbidity, disability and mortality²⁶³. Education is associated with children's nutritional intake, and in adults, exercise, moderate drinking, weight control and avoidance of smoking²⁶⁴. Females who have their first child as teenagers are more likely than those who delay childbearing to have low educational attainment, and subsequently these young mothers are more likely to become unskilled workers, and more likely to be unemployed and dependent on welfare²⁶⁵. Child abuse and neglect are associated with incomplete high school education²⁶⁶.

There is evidence of some crime reducing effects of education although the causal pathway remains unclear. The general socialising and supervisory roles of schools are of importance,²⁶⁷ so too, it appears, are those acquired characteristics that help with problem solving (for example, mental flexibility, classifying and perseverance). Less subtle (and more difficult to dismiss) is the stark evidence of low levels of literacy within the ever-increasing prison population. In America, adult literacy surveys have found that two-thirds of prison inmates are at the lowest levels of literacy²⁶⁸. In New South Wales, the Department of Corrective Services states a similar conclusion: "60% of inmates are not functionally literate or numerate," and "60% of inmates did not complete year 10"²⁶⁹. A disproportionate number of those inmates are Aboriginal. However, when the rates of imprisonment of Indigenous and non-Indigenous people are analysed in terms of employment and education status, the two last mentioned factors exert a major influence on the likelihood of imprisonment. For example, the Indigenous person who has not completed secondary school has over thirteen times greater chance of imprisonment than has her or his better educated Aboriginal counterpart²⁷⁰.

It bears consideration that when the projected state prison population of 10,000 is realised within the next three years²⁷¹, for approximately every six students

²⁶⁰ Mirowsky, J., Ross, C. E., (1998) "Education, personal control, lifestyle and health: a human capital hypothesis," *Research on Aging*, July, V20, No.4., http://80-web2.infotra.../purl=rcl_EAIM_0_A208430114&dyn=39!ar_fmt?sw_aep=uns

²⁶¹ *Ibid.*, p. 416

²⁶² Grossman, M., Kaestner, R., (1997) "Effects of Education on Health," in *Social Benefits of Education*, (ed) J. R. Behrman and N. Stacey, Ann Arbor, University of Michigan Press

²⁶³ Kindig, D. A., Seplaki, C. L., Libby, D. L., (2002) "Death rate variation in US subpopulations," *Bulletin of the World Health Organization*, 80 (1), pp.9-15; Feldman, J. J., Makuc, D. M., Kleinman, J. C., Cornoni-Huntley, J., (1989) "National Trends in Educational Differentials in Mortality," *American Journal of Epidemiology*, 129:919-33

²⁶⁴ Ross, C. E., Bird, C. E., (1994) "Sex Stratification and Health Lifestyle: Consequences for Men's and Women's Perceived Health," *Journal of Health and Social Behavior*, 35:161-78

²⁶⁵ Olausson, P. O., Haglund, B., Weitoft, G. R., Cnattingius, S., (2001) "Teenage Childbearing and Long-term Socioeconomic Consequences: A Case Study in Sweden," *Family Planning Perspectives*, March, V33, i2, 70-74

²⁶⁶ Moore, K., (1994) cited in Stacey, N., op. cit., (1998), p. 55; Finkelfor, D., (1994) "Current Information on the Scope and Nature of Child Abuse," *Future of Children*, 4: 32-53

²⁶⁷ Stacey, N., (1998) op. cit., p.58

²⁶⁸ Lewis, A. C., (1996) "Breaking the cycle of poverty," *Phi Delta Kappan*, November, V78, No. 3, p. 187

²⁶⁹ NSW Legislative Council, (2001) *Select Committee on the Increase in Prisoner Population, Final Report*, November, Sydney, NSW Parliament, p. 20

²⁷⁰ Walker, J., McDonald, D., (1995) "The over-representation of Indigenous People in Custody in Australia," *Trends and Issues in Crime and Criminal Justice*, Canberra, Australian Institute of Criminology

²⁷¹ *Ibid.*, p. 10

completing the HSC in New South Wales, there will be one person in gaol. The cost of imprisoning that single individual (around \$60,000 per annum)²⁷² would cover the cost of educating seven to eight senior high school students each year. It would also cover the cost of hiring an additional teacher.

There is more than a little irony in the current projection of crime and education as the two major political issues of the day²⁷³. That deficiencies in both areas are closely linked was shown by the findings of the previously cited 1999 study of the geographic distribution of social disadvantage throughout New South Wales²⁷⁴. When 578 NSW postcodes were assessed in terms of nine socio-medical indicators of disadvantage, of the twelve locations with the highest disadvantage scores, nine re-appeared on the list of twelve postcodes with the highest rates of court convictions. Six of the twelve most disadvantaged areas were also on the list of twelve postcodes with the highest rates of young people leaving school by 15 years of age.

To the above examples of the social costs of early-school leaving, a Canadian authority has added the following:

- Increased administration costs of social welfare programs,
- A less efficient operation of markets,
- Decreased participation in the electoral and political process,
- Decreased level of charitable giving, and
- Decreased social cohesion²⁷⁵.

The last mentioned cost is substantial because it enhances many, if not all, of the separately itemised social costs discussed above. For Australia as a whole, one year's early school leavers are estimated to cost \$2.6 billion, leading to the conclusion that "reducing the number of early school leavers would be a very sound investment for government, for the individuals concerned, and for the country as a whole"²⁷⁶.

5. OPPORTUNITIES FOR RE-DIRECTING INVESTMENTS WITHIN THE EDUCATION SECTOR AND ACROSS SECTORS

In this section the Inquiry outlines some possible sources of savings that could help to offset the cost of the investments in public education recommended by this report. Several of the options identified relate to the education sector but the final one considered draws upon the foregoing discussion of the opportunity costs of limiting investment in education.

The School Student Transport Scheme

A significant source of funding for school children in New South Wales comes from the state Department of Transport, in the form of the School Student Transport Scheme (SSTS). It is estimated that \$427.2 million will be spent on the Scheme in 2002-03, at an average cost per beneficiary of \$628.30²⁷⁷. This constitutes an

²⁷² \$64,485 for maximum security prisoners, \$58,095 for medium security prisoners, and \$49,459 for minimum security in 1999/2000; NSW Legislative Council (2001) op. cit., p.71

²⁷³ NSW Opposition Leader Mr John Brogden speaking on ABC Breakfast Radio, 2/10/2002

²⁷⁴ Vinson, T., (1999) op. cit.,

²⁷⁵ Conference Board of Canada, (1992) *Dropping Out: The Cost to Canada*. Ottawa, The Conference Board of Canada

²⁷⁶ *ibid.*, p.21

²⁷⁷ Source: *Budget Estimates 2002-2003*, Op. Cit., Volume xx, p. 19-6

\$11 million or 2.6% increase on the previous year. While this looks modest, equivalent increases have been occurring for many years (the cost of the SSTS in the early 1990s was \$264 million). The SSTS provides free transport to all eligible students in New South Wales. This means that students who live more than about 1.5 - 2 kilometres from their school obtain free transport, and the scheme also includes a private vehicle subsidy for students who have no public transport access to school²⁷⁸. In relation to these figures, data provided by the Department of Transport indicates that about 58% of recipients of the SSTS attend government schools and receive 56% of the benefits, while 42% of recipients attend non-government schools and receive 44% of the benefits. This suggests that students in non-government schools benefit disproportionately from the scheme (as they make up a little over 30% of students). The average benefit per student also varies depending on type of school. In 1999, the average cost per beneficiary of the SSTS was \$545 per student in a government school, \$593 per student in a Catholic systemic school, and \$584 per student in an independent school²⁷⁹.

Due to its exponentially increasing costs, the NSW Legislative Assembly Public Accounts Committee recently reviewed the SSTS²⁸⁰. The report provides some important statistics concerning the SSTS. First, compared with other states in Australia, New South Wales provides free school travel to more than twice the proportion of students in any other state (over 60% of students in New South Wales receive free school transport compared to less than 30% in all other states except Tasmania, which subsidises just over 30% of students)²⁸¹. This translates in New South Wales into 664,100 student beneficiaries in 2001-02²⁸². The reason for the differential between New South Wales and other states is that compared to most other states, New South Wales has no restrictions on eligibility for the scheme other than living beyond a minimum distance from one's school of choice. Other states impose various limits, including possession of a health care card (indicating the parent is a pensioner or on a low income), attendance at nearest appropriate school or nearest government school only, or geographical location (rural and urban fringe areas only).

In relation to SSTS costs, the Committee concluded:

Education policies such as improved retention rates, school location, or a student's choice of school have an impact on the size of the SSTS. However, a range of factors under the control of the Department of Transport appear to have driven the cost of the SSTS, at least over recent years²⁸³.

The committee made several recommendations on how the Department of Transport might limit SSTS costs. A number of these related to contracts with bus and other transport suppliers, and included tightening up contractual performance requirements, monitoring and auditing reimbursement claims more effectively, the possible rationalisation of bus services (especially in rural areas), considering the competitive tendering of contracts, and subsidising real rather than 'phantom' travellers (students who possess a pass but rarely use it). Recommendations were

²⁷⁸ NSW Department of Transport "Travel Concessions and Grants - School Student Transport Scheme (SSTS)", http://www.transport.nsw.gov.au/concess_grants/ssts.html.

²⁷⁹ Figures provided by officers in the Department of Transport.

²⁸⁰ *Inquiry into the School Student Transport Scheme* (2002), New South Wales Parliament, Public Accounts Committee, Report No. 131 [No. 13/52].

²⁸¹ *Ibid.* p. 65.

²⁸² *Ibid.* p. viii.

²⁸³ *Ibid.* p. x.

also made about the management of the scheme, including the need for accurate records (including the possibility of electronic ticketing) and greater coordination between the Departments of Transport and Education and Training. All of these make sense and are supported by the Inquiry, although sensitivities and employment implications of tightening up the number of private bus contractors and their funding are noted.

At this point it needs to be emphasised that the Inquiry's primary concern is to see public education provided on a more equitable basis. That requires additional funding to acquire the improvements identified by the Inquiry as being necessary to bring the public education system up to standard. Since there are inequities to be addressed it is appropriate to focus attention on possible offsets to help pay for the additional investments that are needed. Hence, the Inquiry is interested in the options for limiting eligibility for the STSS canvassed by the Parliamentary Committee. These include extending the distance criteria, for example for urban students, to those living more than 4.5 kms from their school, or more than 3 kms for primary students, which, according to the Parliamentary Committee would enable annual savings of between \$52 million and \$83 million, but might result in inconsistencies disadvantaging some students. The introduction of a *maximum* distance criterion was also considered. This could also result in very considerable savings (more than \$100 million), but the Committee considered this proposal to be inequitable, as it might discriminate against students in particular need (e.g. socio-economically disadvantaged students attending selective or specialist high schools far from home). The notion of limiting travel to either the nearest government school, or nearest 'appropriate' school, was also considered, but rejected as limiting parent choice of school²⁸⁴. And finally, the application of socio-economic criteria to limit eligibility was explored, but rejected due to privacy and equity concerns (for example, the inequity of assuming all parents of students in non-government schools are more affluent). In other words, when it came to the more vexed issue of limiting eligibility for the SSTS, the Committee failed to make any recommendations.

While any change to the SSTS must ultimately be a political decision the Parliamentary Committee's failure to recommend any of the cost reducing options considered in the face of objections is, to say the least, unfortunate. The Committee did not have before it the full picture of system inequities depicted in this report. Had its analysis included considerations at that level it might have accorded less weight to recurring objections to contemplated SSTS economies because of the alleged 'loss of equity' or 'infringement of privacy' entailed for individuals. The potential transfer of costs will inevitably provoke objections of one kind or another and their occurrence does not resolve whether the envisaged course of action should proceed.

Furthermore, in the Inquiry's view, there are reasonable ways of accommodating the objections that were raised with the Parliamentary Inquiry without unduly disadvantaging any particular group of students. A basic entitlement for all students to travel to any school within a limited radius of their home (2-5 kms for urban and regional centre students, 2-20 kms for rural students, or a greater distance when the nearest school is even further away, combined with a minimally intrusive socio-economic criterion for students who choose to attend more distant schools, would seem to the Inquiry to meet the multiple requirements of financial accountability, parental choice and fairness. The recommended socio-economic criterion is the

²⁸⁴ Tasmania is the only other state beside NSW that places no limitation on the school type. The others specify that transport is limited to either the nearest school or the nearest state school.

possession of a health card either because of receipt of Centrelink benefits or fulfilment of Centrelink's family income test²⁸⁵. The data needed to estimate the savings that would result from adoption of this proposal has not been available to the Inquiry. However, from the Parliamentary Committee's estimates the saving should be substantial, probably in excess of \$50 million and possibly as much as \$75 million. This saving would mean that a majority of students receiving the benefit would continue to do so, and only those choosing schools some distance away from home, and who do not qualify on the basis of need, would be required to pay.

Back to school allowance

There is another expenditure option available to government that affords the opportunity for selectively supporting economically disadvantaged families while at the same time investing in the overall improvement of the public system to the advantage of students generally. At present the New South Wales Government spends \$56 million on its \$50 'back to school' allowance. The expenditure is distributed in the following way:

Primary schools	\$22.727 million
Secondary schools	\$15.442 million
non-government schools	\$17.831 million
TOTAL	\$56.000 million

The \$50 allowance is potentially of greatest value to the estimated one third of households in New South Wales with one or more children, and incomes of \$35,000 or less, entitling them to possess a Centrelink Health Card. It is arguable that thereafter the greatest benefit is derived from pooling the remainder of the \$56 million and using that sum to improve the quality of the public education system. When the current expenditure is re-allocated on the afore-mentioned bases, the results are as follows:

i.	Total government + non-government students in NSW	1,089,000
ii.	Estimated no. eligible students (above income test)	544,500
iii.	Current cost of subsidy	\$56 million
iv.	Revised cost (\$50 x 544,500 = \$27.2 million)	
v.	Estimated budget saving	\$28.8 million

25% per capita funding linkage

Earlier it was explained that every time average per capita expenditure on students in government schools increases, recurrent per capita funding to students in non-government schools also increases. The bases for questioning the necessity or fairness of this arrangement have also been presented. The Inquiry believes that legitimate grounds exist for government to adopt the third of four previously outlined options, namely:

Tapering the level of support for the non-government schools by giving greater weight to the criterion of need and more tightly targeting aid to those schools where funds are needed to avoid disadvantaging the education of young people. The resultant savings could then be directed to the public system to ensure that equality of opportunity also applies to that sector.

²⁸⁵ The levels of income for a family to be eligible are \$573 per week where there is one child and \$34 for each additional child.

The adoption of the above course, either with or without additional funding for public education, is a choice available to government. It does not hold promise of substantial immediate savings but rather the accumulation of offsets over time. At present there are 12 funding categories for the per capita allowances for primary and secondary students in non-government schools. The categories reflect the average level of recurrent resources available to educate a student in each school. The recommended “tapering” of support needs to be undertaken with at least two things in mind: (i) current Commonwealth funding of non-government schools and changes since 1990 when the state’s per capita linkage payments increased from 20% of standard costs to 25%; (ii) the need to avoid sudden alterations to the financial circumstances of non-government schools.

One way of achieving greater system equity would be to preserve the flow of 25% linkage payments to the least well-off non-government schools and hold the monetary value of the payments to the others at the 2002 level, subject to a review after a period, say, of five years. Such an approach would seem fair and equitable but is complicated by the inclusion of the entire Catholic system within the tenth or third bottom-funding category. As the table 13.9 below indicates, this results in a massive concentration of the current allowances within the very category that, if it were used in a more discriminating way, would arguably be the starting point for preserving the flow-on of the 25% linkage funding. No doubt, some of the Catholic schools classified as ‘10’ could more accurately be classified as 11-12. If the three bottom categories accounted for 20-25% of total funding (rather than 76.4%) then that would seem an appropriate demarcation of schools entitled to special consideration in the form of continuation of the 25% linkage funding.

What is really required is a ‘needs’ benchmark in non-government schools that would result in pooled ‘flow-on’ funding being directed to schools with the most urgent claims, probably concentrated within the present categories 10-12. These issues are currently being addressed by a MCEETYA project and the Inquiry requests that the ‘comparative needs’ principle espoused immediately above, but also throughout its whole consideration of an equitable distribution of governmental funding of school education, will be taken into account in formulating New South Wales’ position.

**Table 13.10: Per capita payments to non-government schools
(1/7/2001-30/6/2002)**

CATEGORY	SHARE OF TOTAL FUNDING
	%
1	3.3
2	1.4
3	4.4
4	0.3
5	0.6
6	2.7
7	1.6
8	3.2
9	6.1
10	66.7
11	4.9
12	4.8
TOTAL	100.0

Another approach available to the government would more immediately yield offsets. The approach would be based on recognition of the improved level of Commonwealth funding for non-government schools since the introduction of the new SES funding formula in 2001. If New South Wales funding were restored to the original level of support (that is, 20% of the standard cost), then in the first year of its application, this approach would yield approximately \$22 million.

Interest rate subsidies

Loan subsidy payments on *new* loans in 2000 amounted to approximately \$8.5 million. This expenditure is linked to the current maximum allowable assistance rate of 10.5%. Government assistance /relief in some other important areas is linked to the NSW Treasury bond rate. For example, assistance for primary producers under the Natural Disaster Relief Scheme is provided by way of a loan at a concession rate equivalent to half the 10-year bond rate. Support to landholders through the New South Wales Rural Assistance Authority and the Department of Land and Water Conservation in relation to conservation measures includes the provision of loans at concession interest rates 25% below the 10-year bond rate. If the same framework were to be used and the interest subsidy on school borrowings matched the bond rate of approximately 5.6%, the Inquiry believes that would result in a saving of approximately \$5 million per year. The long term prospect is for accumulating savings for the Government of up to half (\$15 million) of the annual subsidy bill after a decade.

Overview of potential savings within education system

i. Controls on school transport	\$60 million (range \$50-\$75 million)
ii. Targeted back-to-school allowance	\$29 million
iii. Per capita payments to non-govt. schools	\$22 million +
iv. Reduced loan subsidy	\$ 5 million (accumulating)
Total (conservatively)	\$116 million

Saving across sectors

Under the heading *The Social and Economic Benefits of Investing in Education*, the Inquiry has used a number of sources of information, from criminological and social research to the educational attributes of those incarcerated in New South Wales prisons, to illustrate the close connection between limited education and becoming an offender. Yet while the rate of imprisonment per 100,000 in New South Wales rose by 64% between 1981 and 2000, and 21% between 1995 and June 2000,²⁸⁶ expenditure on the education policy area as a percentage of all New South Wales Government expenditure declined from 28.4% in 1989-90 to 22.0% in 2001/02²⁸⁷. Over the period 1994-2000 the annual expenses of the Department of Corrective Services increased by 37% in real terms²⁸⁸. Present Government policy is based on an acceptance that the investment in incarceration will continue to expand but it is important for the Inquiry to make clear that such a choice has its financial, as well as social implications.

²⁸⁶ NSW Legislative Council, (2000), op. cit., p.15

²⁸⁷ Pie Chart Series, for Budget Paper No. 2

²⁸⁸ Ibid., p.73

TEACHERS' SALARIES

In Chapter 1 of this report it was acknowledged that the issue of teachers' salaries has an important bearing on the restoration of the professional identity of teachers and the successful implementation of many of the recommendations made by the Inquiry. The opinion was expressed that:

The revitalising of public education will demand a willingness on the part of teachers to venture into unfamiliar and somewhat threatening territory. It is hard to see how that step will be taken without evidence of positive employer identification with the tasks and recognition of the scale of what is required. The industrial climate...has evolved to the point where no other gesture can be an effective substitute for increased salary.

Completion of the discussion of salaries was deferred until this final chapter in order for the matter to be considered in the context of the overall costs of recommended changes and possible cost offsets. The details of current levels of remuneration for teachers and comparisons with other occupations were presented in Chapter 1. Apart from more adequately recognising the social value of the role performed by teachers, appropriate salaries will be important for attracting quality new recruits to the profession, especially in the circumstances where substantial numbers of teachers are expected to retire in the near future.

Again the size of the New South Wales public education system inevitably means that the cost of a 'catch up' increase in teachers' pay, completely separate from the already agreed increment due in January 2003, although warranted in the light of the salary comparisons tabled in Chapter 1, will be formidable. The intended 'catch up' is not meant to delay or otherwise interfere with future standard salary negotiations. The Inquiry has remained parsimonious in arriving at the overall range of expenditures recommended throughout the report and summarised below. It has no desire to change direction in this final part of the report but has difficulty seeing how anything less than a 5% increase, resulting in annual gains of the order of \$2,000 - \$3,000 for the majority of teachers, would be both just and supportive of the scale of system change recommended. The estimated cost of a 'catch up' increase of this scale would, by the Inquiry's own reckoning, be approximately \$225 million. This is a substantial sum but like the estimated cost of implementing the specific recommendations made by the Inquiry (\$153 million - see the following summary), it needs to be considered within the context of the earlier comparisons between New South Wales recurrent per capita student expenditures and the national averages for primary and secondary students. The state's school education budget would need to be increased by an estimated \$318 million if New South Wales were to match the national average rate of recurrent expenditure on each student. Account also needs to be taken of the possible offsets detailed earlier in this chapter. Depending on the political decisions taken, there is scope for potential savings in excess of \$100 million.

OVERVIEW OF RECOMMENDATIONS AND THEIR COSTS

RECOMMENDATIONS	COSTS \$
PROFESSIONALISM: \$48 Million p.a.	
1.1: Create staff development committees	-
1.2: Professional development funds	48M p.a.
1.3: Reporting requirements re. alleged misbehaviour by teachers	in-house
1.4: Development of teacher performance template	in-house
1.5: Initiate professional performance management scheme	in-house
1.6: Initiate remedial professional performance scheme	see Rec:1.2
1.7: Support creation of Institute of Teachers	-
 PEDAGOGY: \$1.35 Million p.a. next 3 yrs	
2.1: DET strategic plan focusing on pedagogy	in-house
2.2: Create pedagogy Clearinghouse	350K p.a.
2.3: Review of Clearinghouse	in-house
4.1: Develop academic extension programs in all comprehensive schools, using expert consultants, professional development funds, Clearing House and 10 Lighthouse schools over three years	1M and Rec:1.2, 2.2
4.2: Longest established selective high schools and 4 agriculture rural high schools preserved; some selectives become partial selectives but more flexible; begin selectives outcomes research; review remaining fully and partially selective schools after 10 years	-
4.3: Amend Selective High Schools Test	-
4.4: Halve number Opportunity Classes; begin research effects OCs; review remaining OCs in 2010	in-house
4.5: No additional formal specialist high schools be established	-
 WELFARE/DISCIPLINE : \$ 7.9 Million first year \$13.2 Million second year \$18.5 Million third year \$21.2 Million fourth year thereafter additional \$5.3M p.a. counsellors	
5.1: Three year trial of specialist discipline/welfare role	1.4M p.a.
5.2: Internal collaborative evaluation	see Rec: 1.2
5.3: Increase no. school counsellors by 700 over ten years	additional 5.25M p.a.
5.4: Appoint mental health liaison officers in six Districts	480K
5.5: MoU between Health/DET specifying services, reporting	-
5.6: Assessment of service outcomes by researchers, staff	in-house
5.7: Proactive approaches to discipline project, 45 schools, 3 years, including role of Clearinghouse	700K p.a. and Rec: 2.2
 INTEGRATION: \$15.7 Million p.a.	
9.1: District reporting on increased inclusion of students	-
9.2: Trial inclusion coordinators in ten high need Districts	750K p.a.
9.3: Streamline applications for support, disability confirmation	potential savings
9.4: Develop and disseminate teaching materials via Clearing House	see Rec: 2.2
9.5: Professional development for teachers, specialist/generalist skills	see Rec 1.2
9.6: Make greater use of specialist teachers and/or consultancy support, especially for students with lower support needs	re-direct existing funds
9.7: Training module for teachers aides (special)	300K
9.8: Increase fixed element of Funding Support budget	7.6M p.a.
9.9: Create 100 f/t STLD positions for high needs schools	7M p.a.
9.10: Train STLD teachers	in-house and Rec: 1.2

**EARLY EDUCATION: \$ 48.5 Million p.a. short-term
\$225 Million longer-term**

3.1:	Locate DET-run pre-schools in socially disadvantaged areas	-	
	3.2: Increase no. Pre-schools to 140 (extra 40, say 20 within 3 years)		4M
3.3:	(i) K-2 small classes in disadvantaged schools	47M	
3.3:	(ii) K-2 small classes in other schools	178M	

INSTITUTE: recommendations in support of policies already adopted

1.7:	Create Institute of Teachers, registration, training, accreditation, community and professional relations	-	
11.1:	Orientation for overseas educated teachers	in-house	
11.2:	Basic knowledge, skills, for beginning teachers	-	
11.3:	Supervision, guidance for new teachers	-	

BOARD of STUDIES: no additional costs, potential savings

2.4:	Integration of B of Studies within the DET	-	
2.5:	Ownership of curriculum, other documents vested in DET	potential savings	
2.6:	Test new curricula before system-wide adoption	in-house	
2.7:	Increase membership of Board of Studies	-	

COLLEGES: no additional costs

4.6:	Senior College in W. Sydney - plan with other schools	-	
4.7:	Junior campuses focus on appropriate pedagogy, transition; research net benefits over well resourced comprehensive high schools	in-house	

BUILDINGS: possible minor costs for 6.2

6.1:	Construct unmet needs indicators (schools buildings and their maintenance)	in-house	
6.2:	Supplement operating funds of some schools with recurring emergency maintenance needs	in-house	

COUNTRY: \$10.2 Million p.a.

7.1:	Country schools educational opportunities grant	10.2M p.a.	
7.2:	Increased Performances for Country Schools Program	in-house	

FLEXIBLE SCHOOLS: \$600,000 p.a. for three years

7.3:	(i) Pilot four rural Community Education Centres as joint DET/Premier's Department (Strengthening Communities) projects, for three years	600K p.a.	
	(ii) Establish three schools as Community Learning Centres within sites for three proposed NSW Government Priority Regional Communities Projects	in-house	

DISADVANTAGE: \$11.5 Million

3.2:	Increase 'attached' pre-schools to 140 within six years	not costed	
8.2:	Expansive strategies to combat effects of disadvantage	PSPF funds and Rec: 2.2	
8.3:	Incentives to attract experienced teachers disadvantaged areas	rising to 5M	
8.4:	New selection process for principals to schools with significant numbers Aboriginal students	in-house	
8.5:	Upgrading of Aboriginal Education Assistants	in-house	
8.6:	Identify trainee teachers with commitment to Aboriginal students	in-house	
8.7:	Increase number of ESL teachers	rising to 6.5M	
8.8:	DET to distinguish achievements of LBOTE students who have lived in Australia 4 years or less	-	
8.9:	Provide a mentor in schools for children 'in care'	in-house	

TAFE / VET: \$400,000

10.1:	'Failsafe' review of utility of TAFE's amalgamation after a range of positive measures attempted	in-house
10.2:	The Board of Studies to review the VET industry curriculum framework to ensure requirement of intellectual analysis	-
10.3:	Establish Working Group on overcoming administrative barriers to TAFE/ schools cooperation	-
10.4:	District Superintendents develop Memorandum of Cooperation between District Offices of the DET and TAFE Institutes using an existing model of successful cooperation	-
10.5:	Adjust transfer of school/TAFE funds when TAFE services provided, on basis that acknowledges schools' continuing responsibilities for their students	in-house
10.6:	Examine feasibility of cross campus transport. <i>Note - where adopted there would be additional costs but scale would depend on local arrangements.</i>	estimate for 20 Districts 400K
10.7:	Revise mandatory work placement requirement for VET industry curriculum framework courses	in-house
10.8:	VET in Schools Directorate identify range non-industrial learning sites particularly for rural students to acquire work-related skills, knowledge	-
10.9:	recognition and support for VET coordinators and teachers	in-house
10.10:	Develop inter-departmental protocols to manage a five-year transition broker pilot project	in-house
10.11:	Establish clear admin. Procedures for managing 'second chance' educational programs for 'at risk' young people	in-house


GOVERNANCE: \$3.5 Million

12.1:	Create Program Planning, Innovation, Evaluation Directorate	in-house
12.2:	Expanded Schools Management Group	in-house
12.3:	Focused interchange program	in-house
12.4:	Succession planning and leadership training program	1.2M p.a.
12.5:	Consideration in all decisions of impact on the standing of public education	
12.6:	Development of protocol re. next wage negotiations	-
12.7:	Tying State Government funding of new schools to no negative impact on existing schools; oppose Non-Government Schools Council	-
12.8:	District Office to work with professional learning communities	-
12.9:	School principals report on strategies to involve community	-
12.10:	Staffing of very small schools/ schools enrolments 100-159	1.44M
12.11:	Review of RFF allocation to primary schools	-
12.12:	Principals to have limited discretion, subject to conditions, appoint small number of classroom teachers by advertisement , merit selection	in-house
12.13:	Development of executive appointment procedures	in-house
12.14:	School assistants, senior school assistants, trial of 20 business services managers	812,500 p.a.
12.15:	Computer training for SAS staff	in-house
12.16:	Review general operations grant	in-house

AVERAGE ADDITIONAL OUTLAY FOR EACH OF NEXT THREE YEARS \$153 Million p.a.

STAGED IMPLEMENTATION PLAN

	REMAINDER OF DECADE	4.2: Review continuing need for segregated selective schools.							
E	SECOND TRIENNIUM	4.2: Some selectives partially selective; half number OCs.	5.3: Increase school counsellors by 700 over 10 years.	9.1: District reporting on increased inclusion.	3.3: Small K-2 classes/general.				
N									
I	FIRST TRIENNIUM	4.4: Implement advanced ed. opportunities all comprehensive schools.		9.2: Special Ed. coordinators in high need Districts.					
L		4.2: Partially selectives more flexible; begin selectives outcomes research.	5.7: Positive discipline/school wellbeing project.	9.4: Develop and disseminate teaching materials.					
E		4.1: Develop Adv Ed. opportunities all comprehensive schools.	5.4/5.5/5.6: Mental health liaison officers.	9.5 (from 1.2): Prof. Dev. for teachers.					
M		2.2/2.3: Pedagogy Clearing House.	5.1/5.2: Trial welfare/discipline roles in 20 schools.	9.7: Train T.Aides (Special)					
I		2.1: Pedagogy-centred corporate plan.	5.9/9.10: Increase no. STLDs/train.	9.9/9.10: Increase no. STLDs/train.	3.1/3.2: Increase no. state pre-schools in disadv. areas	11.1: Orientation for overseas trained teachers.	4.7: Multi-collegiate research.	6.1: Construction of unmet needs indicators (school buildings and their maintenance).	
T		1.3: Complaints re teachers.	9.3: Streamline application for support.	9.3: Streamline application for support.	3.3: K-2 small classes/disadv. schools.	11.3: Supervision, guidance of new teachers.	4.6: Senior college West Sydney/other schools – dev. plan.	6.2: Supplementation for emergency maintenance some schools.	
		1.1/1.2: Professional development funds/ctee(s).	9.6/9.8: Increase specialist support for teachers; Increase low support funding.	9.6/9.8: Increase specialist support for teachers; Increase low support funding.		11.2: Basic knowledge, skills for beginning teachers.	2.7: Membership B of Studs.		
		1.4/1.5/1.6: Teacher performance management.		9.7: Train T.Aides (Special)		1.7: Create Institute of Teachers.	2.6: Pilot curric. changes.		
						2.4/2.5: Re-integration of office of BoS.			
	PROFESSIONALISM	PEDAGOGY	WELFARE/ DISCIPLINE	INTEGRATION	EARLY EDUCATION	Institute	B of STUDIES	COLLEGES	BUILDINGS



		8.7/8.8: Increase no. ESL teachers.	10.5: Adjust transfer of school - TAFE funds.	12.5: Impact of decisions on standing Pub Ed.
7.1/7.2: Country schools ed. opportunity grant.	8.1: Urban comm. learning centres. 7.3 (b): Comm. ed. centres – remainder (rural). 7.3 (a): Comm. ed. centres – Warialda.	8.6: Trainee teachers with commitment to Aboriginal stds. 8.4: Selection of principals. Aboriginal schools. 8.5: Upgrade Aboriginal Ed. Assistance 8.9: Children 'in care' mentor in schools. 8.2: Multi-layered strategies to overcome effects of disadv. 8.3: Incentives attract experienced teachers to disadv. areas.	10.6: Cross-campus transport. 10.11: 'second chance' ed 10.1: Review utility of TAFE amalgamation . 10.10: transition broker scheme. 10.8/10.9: Strategy for appropriate work placements & work roles. 10.7: mandatory work placement. 10.2: BoS review VET industry curriculum framework. 10.3/10.4: Working Grp on barriers to cooperation.	12.10/12.11: Small schools; RFF prim.schools. 12.4/12.13: Exec. Appts. 12.3: Focused inter-change 12.9: Comm. Invol. 12.14/12.15 : SAS/bus.serv. Managers. 12.16: Review Ops. Grant 12.12: Principals. limited discretion in appointments. 12.6: Wage negot. 12.8: Dist. Office/ learning comms. 12.7: non-gov. school funding 12.2: Expanded Management Gp. 12.1: Create Planning, Innovat. Eval. Directorate
COUNTRY	FLEXIBLE SCHOOLS	DISADVANTAGE	TAFE/VET	GOVERNANCE