

## NOTES FOR KEYNOTE ON DAY TWO

### *Slide 1*

## **RE-IMAGINING AUSTRALIAN EDUCATION**

KEN BOSTON

Conference has talked a lot about moral purpose and values at classroom, school and Catholic system level.

In wrapping up the Conference, I want to re-imagine Australian education, and to share with you something of the vision which members of the Gonski Review fundamentally believed. Gonski is about the realisation of a future for Australian education based on moral and ethical principles and values that are at the heart of what we have been talking about for the past two days.

### *Slide 2*

Is education a public good or a positional good?

I have always regarded access to education as a public good.

I am not an economist, but the examples economists commonly give of a public good are fresh air, knowledge, lighthouses, national defense, flood control systems and street lighting: most of them have a cost, but we all benefit from them, and that benefit to each of us does not reduce the availability of the benefit to others.

Similarly, access to education has a cost, because it costs parents and/or the taxpayer in varying amounts, but it is accessible to everyone, and everyone can consume it without reducing its availability to any other individual.

The term public good was coined by Fred Hirsch in his 1976 book "The Social Limits to Growth" in which he contrasted a public good with a positional good, which is inherently scarce, and can be acquired by one individual only at the expense of others.

A positional good is a service or product with value arising from the fact that it is not available to everyone, and that not all can benefit from it. This therefore confers status and preferment on the possessor. The economist's usual examples are luxury cars and houses, ocean cruises and so on.

If you take education to mean no more than access to education, then it is clearly a public good. Education is compulsory and everywhere available, through the public school sector if not the non-government sector.

But if by education we mean the highest levels of most scholarly achievement in education, then is that a public good or a positional good?

I think it is clearly a positional good. By definition, outstanding achievement in education is relative to the lower achievement of others.

High educational outcomes confer status and preferment on the possessor.

Or to put it more directly, the value of a person's achievement in education depends upon the educational achievement of the person ahead of him in the queue for a job.

When asked about the purpose of education, we educators will say something woolly like "maximizing the life chances of each child", or something noble like quoting Socrates "Education is the kindling of a flame, not the filling of a vessel".

Parents are far more hard-headed than that. They are consumers. They know that quality and type of education confers preferment, and understandably that's what they want for their children. They choose schools with the very clear understanding that education is a positional good. They see desirable educational outcomes as being more than high academic achievement, important though that is. They want things such as good sporting facilities; they want security; they want their children to be educated in comfortable and pleasant surroundings. They see education as far more than lighting a candle or filling a jug.

Many want their children to establish friendship groups and networks with children of a similar class and background.

Many parents also want, as a fundamental prerequisite for some, and as a preferred condition for others, a faith-based education where the school places emphasis on religious formation. Where that ranks as a priority however is uncertain: in Sydney, substantial numbers of Catholic parents enter their children for the examinations for entry to government selective high schools, and withdraw them from Catholic schools if they are successful. Their judgement clearly is that education amongst a group of high-achieving peers will confer, at relatively low cost, a benefit that outweighs other considerations.

And schools have recognised that, and capitalised on it, in three broadly different ways.

When you look at the websites of the wealthy independent schools in Adelaide or elsewhere, the text is universally about outstanding academic achievement, within the context of a balanced and full curriculum producing well-rounded young people with a strong commitment to community service, and built on a strong platform of values, faith-based or otherwise. But the text is not the message: the message is in the photographs: happy, healthy children in uniforms; of different racial backgrounds, but all young Australians; in science laboratories, playing the cello, on sporting fields - all smiling, and with perfect orthodontistry. The message is that this is where you would like your child to be: this school confers advantage and preferment; your child will get a better start on the road to success here than at the local Catholic parish school, or at the free-be state school around the corner. The focus is on bonding children from similar backgrounds, rather than bridging across children from dissimilar backgrounds.

The message I walk away with is one of wealth, excellence, privilege and exclusivity, underpinned by a soundly liberal educational philosophy.

The websites of the diocesan Catholic schools tell a different story. They are strongly about the formation of children in accordance with Catholic faith and tradition, yet openly leaving the door open to children of all faiths or no faith at all. They are very clear about their particular mission in education. They talk about excellent academic achievement and the provision of a well-rounded and balanced curriculum; some talk about their special mission with the disadvantaged groups in society; the photographs often show children from highly ethnically diverse communities, including recent arrivals.

The message I walk away with is one of goodness, compassion and dedication; of real commitment to the Catholic faith; of seeking to provide low-cost faith-based education to all; of a mission to build the congregation of the faithful at school-level, when perhaps it is diminishing among adults; and of very professional and thoughtful teaching and school leadership, again grounded on a solidly liberal and informed educational philosophy.

The websites of the government public schools tell a different story again, and a very much different story from that they would have told thirty years ago.

They talk of achievements and goals and values, but they do not assert the values of free, compulsory and secular education as I believe them to be.

The pride of public schools since they first appeared in this country in 1848 (as NSW national schools) has been that they have taken the children of the boss and the worker, the rich and the poor, the Kooris and the captains, convicts and boat people, the able and disabled, the Christian and the Moslem, in cities and the bush, and from that raw material a nation has been created.

The Catholic parish schools can make much the same claim, and to a degree that still resonates on their websites.

But on public school websites I do not find full-throated assertion of the values of schools that build social capital by bridging groups in the community, rather than by bonding and strengthening existing cultural, class, religious and social identities from the age of five.

Far from presenting public education as the universal rolled-gold public provision of high quality education, of a guaranteed standard whether in the city or the bush, the priority of the public schools today seems to be to differentiate themselves not only from non-government schools, but from other government schools, by being selective high schools, or sports high schools; or specialist music schools, or independent public schools, or non-uniform schools, and so on.

The message, particularly at secondary level, is one of public schools seeking to attract different segments of the market, presumably to maintain market share, rather than to stand on a platform of values, objectives, standards and achievement based on the strengths of systemic provision.

It is very clear parents see high quality education as a positional good, and that there are four ways of acquiring it: either winning a place in a selective high school through a competitive test, or buying a house within the enrolment zone of the preferred school, or winning a scholarship to an independent school, or paying for it.

The fourth is the common option, and will remain so if nothing else changes. Indeed, it will be strengthened by the increasing movement into Australia of large international education providers who intend to buy into existing schools or create new schools, and whose sales pitch in the dozen or so Western countries in which they already operate is directly commercial rather than educational.

They talk of price points at which you can buy the level of education you can afford.

### ***Slide 3***

Their sales pitch compares their schools to an aircraft: you can buy in at first class, business or economy; you will all arrive at the same destination; but you will receive the quality of service, which importantly includes the quality of the tuition, for which you pay.

### ***Slide 4***

The Mercedes Benz is another comparison: you can buy an A Class, a C Class or a Mercedes 500. You have the pleasure and status of driving a Merc, but have no doubt with the 500 you will meet a better class of people.

I find that view of education abhorrent.

### ***Slide 5***

If education is a positional good that confers benefits on the possessor, how can we ensure that all those capable of high achievement receive it?

If high education is a positional good, does it have to be distributed on the basis of whether your parents can afford it? Is there a better way?

To answer that question we need to look at the history of the current funding arrangements.

For the best part of a century following the establishment of government-funded school systems in the six Australian colonies between 1872 and 1893, the Catholic schools and other non-government schools remained fiercely independent of the public purse. In the era of massive post-war migration, which put pressure in particular on parish schools and public schools, the Commonwealth began providing supplementary funding for the states.

Commonwealth grants to schools began with Menzies, and, on the advice of the Schools Commission, they were extended by Whitlam to all schools (government and non-government) on the basis of need.

In 1972, Senate opposition forced the Whitlam Government to extend Commonwealth recurrent grants to all non-government schools, including very wealthy schools with no demonstrable educational need.

All governments have since sought to achieve a voter-acceptable balance between funding allocations to the independent, Catholic and government sectors, based essentially on political rather than educational imperatives. For the past forty years, both parties when in government have allocated funding to sectors on the basis of negotiations on a political basis with school system authorities, lobby groups, church leaders and

teacher unions, rather than on basis of the real needs of schools regardless of the sector to which they belong.

The chickens have now come home to roost. We have created the most socially segregated education system in the Western world. We have ignored warnings from the OECD and other authorities about the impact of inequity on national performance in education. We have failed to create an even playing field on which government, Catholic and independent schools might compete to drive up school performance, to the benefit of all.

### ***Slide 7***

#### Social gradients by country 2009

You know this graph well. The vertical axis is a scale of reading performance; the horizontal axis is a scale of aggregated social advantage, which takes into account a host of factors including parental income, employment status, ethnicity, language background, and location (urban, regional, remote).

The orange line shows the average reading scores for 15 year-olds across the 34 OECD countries. The slope of the line is the social gradient.

Australia performs better than overall than the OECD average, but many other countries (they are not all on this graph) are doing much better.

Although there is a correlation between aggregated social advantage and reading performance in all countries, Australia has a much steeper social gradient than any other comparable OECD country, including those not on this graph.

The performance gap between the top and bottom 20 per cent of Australian 15 year-olds is currently equivalent to five years of schooling by Year 9. Our poorest 20 per cent of Year 9 students are achieving at mid-primary school level in literacy and numeracy, and on current indications virtually all of them will never catch up. Knowledge and skill never created; human capital never realised; a rich vein of precious metal, readily extractable to the great benefit of the nation, left undisturbed in the ground.

At the top of the line showing our social gradient, and at the bottom of the line, and arranged all the way between, are young people who are capable of high achievement in education. Many of those at and near the bottom of the line fail to achieve it, because their circumstances are such that they do not have parents who can afford to pay.

You also know that the line denoting our national performance has steadily slipped since OECD data became available in the year 2000 – in relative terms in comparison with other countries, and in absolute terms in some critical dimensions: for example, in 2009 our Year 9 students were reading at the level of Year 8 students in the year 2000. Such decline is occurring across the board, including at the highest levels of student performance. The decline persists, even in schools where parents are paying \$30000 a year in fees.

It needs to be understood that this alarming outcome is the direct result of the funding policies of the last forty years. This steep social gradient is self-inflicted. Through the years of Fraser, Hawke, Keating, Howard, Rudd we have focused through a range of mechanisms on **sector-based needs-blind funding** rather than **sector-blind needs-**

**based funding.** Gillard recognised the problem, but we are yet to see any outcome.

***Slide 8***

Gonski is far more than a funding strategy.

It is a deeply moral and ethical re-imagining of education in Australia.

It says that education as a positional good should depend on universal access to high quality teaching based on need, on ability, and on hard work, and not on relative advantage or parental capacity to pay.

The solution we came up with in the Gonski Review dismisses utterly the sector-based analysis of the past forty years. It focuses on the evidence-based needs of children and their schools, regardless of the sector to which the schools belong.

It is predicated on the principle that education is about a fair go for every young Australian.

It is about real equity in education for all young people, regardless of parental income, family circumstances, location, ethnicity or any other form of educational disadvantage. By equity, we mean genuine equality of opportunity, not equality of outcomes. Differences in outcomes will inevitably exist between children, but they should not be the result of factors such as poverty, remoteness, race, religion or sector of schooling.

We argue for needs-based government funding, regardless of whether the school is government, Catholic systemic or independent.

Our goal is that – over time, and in contrast to the present - subgroups within the cohort of students should come to have a similar range of achievement, and a similar mean achievement, whether the subgroup be recent arrivals for whom English is not a first language; or children in small or remote central schools; or Aboriginal children; or children of single parents living on benefits; or children with hearing impairments; or children attending Christie's Beach Primary School, or St John the Apostle Christie's Beach, or Unley Primary School, or St Joseph's West Hindmarsh, or Port Germein Primary School.

We believe that a hardworking, talented young girl living in South Australia should have the same real prospect of winning a place in the university and course of her choice, regardless of whether her parents send her to Cabra Dominican College, Seaton High School, Walford Anglican School, Caritas College Port Augusta, or Adelaide High School.

That is what we mean when we say that differences in educational outcomes should not be the result of socio-economic disadvantage. That is what we mean by a fair go for all young Australians.

Some details: refer to slides

***Slide 9***

Focus is on bottom and second quarter. Real disadvantage in all three school sectors.

***Slide 10***

Proportion of students by disadvantage group.

**Slide 11**

Current funding arrangements.

**Slide 12**

School resourcing standard

Per student amount to be equal to the total resources of all schools in which at least 80 per cent of students reached above minimum national standard in reading and numeracy in each year 2008-10. Highly aspirational - only 16 per cent of schools achieved this.

Loadings for disadvantaged.

**Slide 13**

Indicative loadings for disadvantage. Was intended to be tested and refined by the joint Commonwealth/States National Schools Resourcing Body (NSRB), which was never set up.

**Slide 14**

The proposed funding model.

Intended to be negotiated by the NSRB with full and agreed access to state and system funding data, which was not available to the Gonski Review. Instead, the negotiations were between the Commonwealth and the State public servants, and largely at a bilateral level.

The fixed elements of the model were laid down by the Commonwealth: the constitutional requirement that public schools are fully publicly funded, and the Commonwealth guarantee that no school would lose a dollar

The variable elements are the amount per student, the number of publicly-funded non-government schools, the minimum and maximum private contributions, the loadings, and the slope and shape of the line. The NSRB was also to find a better way to measure 'school capacity to pay' than the present arrangements.

**Slides 15, 16, 17**

How some of the variable elements might have been changed during negotiations.

**Slide 18**

The objective is to flatten the social gradient so far as is possible, and raise its level overall.

**Slide 19**

'Forgotten' recommendations, that were given very little media coverage.

***Slide 20***

What went wrong.

***Slide 21***

What remains: the absolute certainty of continued decline in Australian education, if sector-blind needs-based funding is not introduced.