



TREASURER

www.treasurer.gov.au



NO.

**THE HON PETER COSTELLO MP
TREASURER**

**LAUNCH OF INDEPENDENT SCHOOLING IN
AUSTRALIA 2006-08**

**MURAL HALL
PARLIAMENT HOUSE, CANBERRA**

WEDNESDAY, 21 JUNE 2006

Thank you very much Mr Chairman for your invitation to be here today and thank you very, very much for the Independent Schools Council of Australia publication.

Now, you were promised Julie Bishop and all you got was me. And I have tried to do my best and I will try and fulfil her obligations as best I am able. She is currently in the United States I believe at the Leadership Dialogue and for me it is an honour to step into her shoes for your launch today.

I think I can claim to be reasonably neutral when it comes to educational choices in Australia. My father spent most of his career as a teacher in an independent school, my mother spent a good deal of her career as a teacher in a government school. I was educated at both government schools and independent schools and my children have all had the same experience.

And it is true to say that the government sector has its strengths and the independent sector has its strengths. And different parents will make different choices for their children. But the principle I would like to affirm today is the right of parents to make that choice and I am sure that is what the independent sector would say. Not every parent would want to send their children to an independent school and obviously the nature of independent schools varies considerably, but I think each of us today would want to re-affirm the right of parents to choose that school which they believe will best instil their values and the values that they would like to see their children brought up with. And they should have the right to choose that in the educational outcomes that they so desire.

Independent schools vary enormously. I looked through your publication here and I saw in my own electorate many of the independent schools I am familiar with. A Greek Orthodox College, St Anargiri; a Jewish day school in my own electorate, the King David School; the Christian Brothers School, St Kevin's College; an Anglican Girls School, Korowa; an independent school such as Lauriston.

These schools vary enormously, they vary enormously in their values, in their religion. But there are parents who should each have the opportunity, to have that respected, to choose what they consider to be best for their children. And I want to reaffirm the commitment of our Government to that principle, not just in the sense of the principle but also of course by making that choice possible in a financial sense.

As I looked through the publication I found it very interesting. I have often tried to find this material myself and I want to say that your publication is more informative than the combined resources of the Treasury in many respects as it tries to put forward this kind of material for me.

The first thing that you will notice as you read this publication is that the share of total school enrolments in the independent sector is growing quite significantly, from 4 per cent in 1970 to nearly 13 per cent in 2005. We also find as we read this publication that Catholic school enrolment, that is systemic Catholic schools, have also been growing by 2 percentage points since 1970, but government school enrolments declined steadily over this period by nearly 11 percentage points.

What that tells you is that parents are voting with their feet or in this case with their enrolments. That the independent sector has grown by 9 percentage points, the Catholic schools by 2 percentage points and that has been at the expense of the government sector since 1970.

My eye then turned to, as a Treasurer's eye normally does, to the funding arrangements in relation to independent schools. And we find that government funding for places in government schools is much higher than it is for independent school students. This is an important point. One cannot say that the increase in enrolment in independent schools is because government funding makes it more financially attractive. Government funding is higher for places in government schools than it is in independent schools. In fact a place in a government school is funded by the Government around \$10,000 per annum and in an independent school \$4,600 approximately.

The balance of the funding for students in independent schools is made up by parents. In fact as the publication shows us parents in independent schools provide 60 per cent of the funding.

So from a Government perspective, the Government puts in about half of the funding that it would for a student in a government school and the parents make that funding up, plus some, for a child's education.

Now what this illustrates is that government funding for independent schools saves the taxpayer money. The government funding is less than half the funding if that student went to a government school and the parents make that up plus some.

If all of the independent schools, to put it another way, in Australia were to close and all of those students were to go into government schools it would cost the taxpayer significantly.

So parents who are prepared to make a financial contribution to their children's education, far from costing the taxpayer, in fact are saving the taxpayer.

Always good news for a Treasurer to find a sector where this occurs.

But I think this report quite amply demonstrates that. Any person that argues who we should be restricting assistance for independent school education is running the risk that by restricting that

spending costs to the taxpayer will rise rather than fall. And that is because parents are choosing to make that difference up with their own financial resources.

But the other very interesting point that this report makes and my eye was drawn to it immediately is the number of schools that get funded at the different SES levels. As you know the SES formula is based on local statistical collection data, for parents who live in those districts. We are able to give an SES score based on the district, and average that into an SES score for the school and compare it with the Australian median.

What this report shows is that the largest single category of independent schools funded are below the Australian median and the distribution is about even for independent schools that are below and above the median in numerical terms. Of course in financial terms the distribution to those below is much greater than to those above.

So again, the picture that parents in independent schools are wealthier than average or much wealthier than average is disproven by the distribution that we see in this report.

So this is a very, very timely and useful report and I would recommend it to anybody who is interested in the education debate.

Let me just close with a few observations in relation to education generally. Why is it that parents want to choose the schooling of their children?

Well firstly I believe it is because they want their children to experience values that they hold dear and they would like to pass on to their children, that is why so many schools are religious. They want the values of their religious faith or commitment to be passed down, or at least the moral standards to be passed down.

The second is parents want excellence in education. They want to know that their children are being given the best education possible and they want reliable information to come back. Parents want understandable reports. They want information which will tell them whether their children are doing well or doing badly so they can intervene if necessary.

I want to add my thoughts to the demand for comprehensible understandable reports which contain meaningful information. I want to add my voice as a Minister and I want to add my voice as a parent to the necessity of that.

And of course parents also believe that education being one of the most precious commodities is something that they should have the right to save for and spend on. It would be a funny society

wouldn't it, if you were allowed to spend on material possessions but not something as precious as education.

We can't afford the education to be captured by the providers. Education is not there for the providers, education is there for the customers, the users, the children and their parents. And I think there is another reason why parents choose independent schooling because they know that an independent board which is accountable to students is a board which is the most likely to ensure that the child and the child's needs are not contaminated in any way by other political objectives.

So I would say to the independent school sector, you are providing a very, very valuable resource. The wealth of this country in future years will turn on the skills of its population, our human capital will be more important than our natural resources. And you as educators are engaged in creating those skills, nurturing that capital, building the future for Australia.

That is why parents should have choice. That is why the students should come first and that is why your council should be fully and totally accountable to the parents who make such financial investment in it.

I want to congratulate the sector for putting together this report, I want to re-emphasise our Government's choice, I want to assure you we believe that envy politics has no place in the school funding argument. I want to assure you that we believe that outcomes, comprehensible return of information to parents, is critical to good education and I want to wish your sector well on the launch of this publication, the *Independent Schooling in Australia 2006-2008*. Thank you very much.