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Australia's Hawke Labor Government, elected in 1983, reflects the politics of electoral pragmatism and consensus rather than those of idealism and reform. This paper explores the often conservative and pragmatic policies adopted in the schools area by the Hawke Government and seeks to explain the economic, social, and political factors underlying them. Major value orientations evident in Hawke's education policy are (1) a commitment to maintaining a strong federal role in education reflected in a willingness to improve or maintain levels of federal funding in education; (2) a centralist approach to coordination, policymaking, and accountability in relation to federal funding; (3) an attempt to give equity issues greater attention than excellence; and (4) attention to the vocational/competitive/technological role of education. This paper focuses on the following key related schools policy developments that have occurred under Hawke: the historic schools funding settlement of 1984, the Participation and Equity Program, the Quality of Education Review Committee Report, and the downgrading of the role of the Commonwealth Schools Commission. (MLF)
THE HAWKE LABOR GOVERNMENT AND PUBLIC-PRIVATE SCHOOL FUNDING POLICIES IN AUSTRALIA, 1983-1986

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ABSTRACT

Undoubtedly two of the most unexpected education policy shifts attributable to the Hawke Labor Government have been its somersaulting to a position of support for Federal aid to the so-called 'wealthy private schools' and its significant downgrading of the role of the Labor-created (and equity-inspired) Commonwealth Schools Commission. How could a socialist Labor Government traditionally committed to a redistributionist and reformist platform adopt such policies? This paper explores the often conservative and pragmatic policies adopted in the schools area by the Hawke Government and seeks to explain the economic, social and political factors underlying them.

INTRODUCTION: THE POLITICAL CONTEXT OF HAWKE

Education policy under the Hawke Labor (ALP) Government from 1983-1986 has frequently been characterised by paradox and contradiction. The strong reformist commitment to education and equality of opportunity usually associated with Labor governments has been put under severe test by economic and electoral considerations. In the process, ALP platform and principles have, in the view of some within the party, often taken a battering at the hands of pragmatism and pressures for privatisation. Characteristically, in the pursuit of a broad-based community consensus settlement on education issues - as with other major issues such as uranium, American nuclear ships and Aboriginal land rights - Hawke has been prepared to confront the ALP Caucus and challenge established party policy. In the process, he sometimes seems to be supporting policies more appropriate to his predecessor, Malcolm Fraser, and the conservative Liberal Government than to a party supposedly committed to reform. For a fuller account of Hawke education policy including higher education see Smart et al, 1986.

Such contradictions should come as no surprise to students of public policy, for education, like other areas of government policy, is locked in a complex historical web of political, economic and social relationships and understandings. This pre-existing web heavily constrains the degree of freedom which policy-makers have in seeking to reshape the amorphous and slow-moving education enterprise in new directions.

1. For the benefit of American readers the following Australian terminology needs explanation: the Federal Government and the Commonwealth (Government) are synonymous; private schools are also commonly referred to as independent or non-government schools.
A key constraint on Hawke - as on his conservative counterparts in the UK and US - has been serious concern about the state of the economy and in particular, worry about the massive federal budget deficit (currently estimated at about US $9b). In fact, concern about the twin economic problems of the deficit and historically high youth unemployment have been dominant forces shaping (some would say 'distorting') the education and other policies of the Hawke Government. 'Sound economic management' has been an understandable preoccupation of the Hawke Government, particularly given the widespread popular perception of the previous Whitlam Government as notoriously spendthrift and economically profligate.

Internalising the history lesson inherent in the brevity of the radical reformist Whitlam Government's occupancy of the Treasury benches, Hawke's approach has been to go cautiously and occupy the middle-ground of Australian politics. Thus Hawke's inclination is generally to eschew traditional left-wing Labor ideology in favour of pragmatism and to show a strong preference for a consensual approach to decision-making. Nowhere has this been more evident than in the sensitive policy areas of funding for 'wealthy' private schools and the proposed re-introduction of tertiary tuition fees. On both these issues, having initially argued for a policy preference consistent with its ideological opposition to social and financial privilege, the Government (or in the case of fees, more correctly Hawke. Finance Minister Peter Walsh, and several other powerful Cabinet members) pragmatically sized up the mounting political costs of pursuing such policies and then - at least temporarily - deferred to well-organized vested interests.

This paper will focus its attention on four key related schools policy developments which have occurred under Hawke: the so-called 'historic schools funding settlement' of 1984, the Participation and Equity Program, the highly political Quality of Education Review Committee Report, and the downgrading of the Schools Commission.

Before examining these four issues, however, let me briefly spell out the major value orientations evident in Hawke's education policy.

**Value Orientations Evident in Hawke Education Policy**

First, the ALP Government has shown itself to be more committed to maintaining a strong Federal role in education than its Fraser predecessor.
Second, this commitment is reflected in a willingness, so far, to improve or maintain levels of Federal funding in education and in a centralist approach to coordination and policy-making in relation to that Federal expenditure.

Third, the Hawke Government has sought to reverse the swing of the excellence-equity pendulum. In contrast to Fraser, equity issues in education are with some notable exceptions, being given greater attention - though cynics would argue that this has been done more at the level of rhetoric than at the level of practical implementation.

Fourth, the Hawke Government has adopted a more economistic view and approach to education than might have been expected. There has been a tendency to stress the vocational/competitive/technological role of education and even, on occasions, to resort to the old Fraser routine of blaming education for youth unemployment. In addition, there has been a growing Federal emphasis on accountability for the educational dollar - not just in financial input terms but a much greater insistence on evidence of educational outcomes in terms of progress and efficiency indicators.

Pressing School Issues Confronting the Hawke Government in 1983

There were two pressing school issues confronting the Hawke Government when it came to power in 1983. One was the long-standing and divisive 'State aid' (aid to private schools) problem. This problem had been temporarily submerged since the creation of the generously funded Federal Schools Commission under Whitlam in 1973. However, it had re-emerged during Fraser's conservative Government (1975-1983) and the Hawke-led ALP Opposition, in its pre-election statements in 1983 had promised to tackle the problem if elected to Government. The other problem was the disturbingly low national level of student retention to Year 12 (in 1982, 64 percent of students were leaving school without completing Grade 12). This problem had a special salience for Hawke because of the potential which increasing school retention had for reducing the alarming levels of youth unemployment (25 percent in the 16-19 age group). On assuming power in 1983, the ALP Government tackled both the State aid and the school retention problems.
STATE AID

The Whitlam and Fraser Legacy

In 1969, Malcolm Fraser as Federal Minister for Education in the conservative Liberal-Country Party Government introduced a novel system of recurrent grants to private schools based on a standard per capita grant. By 1972, the Liberal-Country Party Government had formalised this Commonwealth grant at 20 percent of the per-pupil recurrent costs in government schools (the so-called 'nexus'). As one of its first acts on coming to power in 1972 the Whitlam Government implemented ALP policy by establishing an Interim Committee of the Schools Commission (Karmel Committee) to propose a more equitable system of funding schools based on the actual financial 'needs' of individual schools (Smart, 1978). The Karmel Committee classified private schools into eight categories of need (A-H, A being the wealthiest or least 'needy') and proposed different levels of per capita funding for each category. It proposed a massive increase of almost a half billion dollars for government and private schools in 1974-75. Sympathetic to ALP redistributionist ideology, it also proposed that Federal aid to the two wealthiest categories of private school (A and B) be phased out altogether over the two years 1974-75. This latter proposal was rejected by the Whitlam Cabinet in favour of immediate cessation of aid to such schools.

Naturally, this course of action was strenuously opposed by the parents and supporters of all private schools (Weller, 1977). Surprisingly, perhaps, some of the strongest opposition came from the Catholic Bishops and Catholic education hierarchy which argued forcefully that no student should be denied a basic per capita grant by virtue of parental wealth. Ultimately, when the legislation became bogged down over this issue in the Opposition-controlled Senate, the Country Party achieved a compromise with the Government, part of which conceded that all students were entitled to a basic per capita grant. In retrospect, it is clear that the conflict generated during 1973 by this ALP attempt to enforce the principle of removing aid from the few very wealthy schools was counterproductive. The amount of money to be saved was relatively small and the bad feeling, media publicity and conflict generated was disproportionate to the potential gains to be achieved. Apparently lacking a sense of history in relation to this issue, the Hawke Government was to duplicate this bitter episode a decade later with essentially the same outcome!

Under Fraser between 1975 and 1983, a less sympathetic attitude to the 'needs' approach saw a collapsing of the Schools Commission's eight categories of need into just three, a re-establishing
of a generous 'nexus' with government school costs for even the wealthiest category of private schools, and a consequent acceleration of the total proportion of Schools Commission funds going to private schools. (The dramatic extent of the increase in private school funding is illustrated in Figure 2 in Appendix.) By the end of the Fraser era the 24 percent of students in private schools were receiving 56 percent of the Schools Commission's recurrent grant budget. The explanations for this drift of Schools Commission resources to the private schools sector are complex. They are in large measure attributable to: the failure of the Schools Commission to impose maintenance-of-effort conditions on recipient private schools; to more and more lenient categorization of private schools; to the dramatic growth of new private schools and of enrolments in existing private schools as a result of sympathetic Schools Commission policies. The Catholic system, in particular, which was near collapse in 1973, underwent significant renewal and growth as a result of Schools Commission policies and support (Ryan, Commonwealth Record, 1984, p207; Praetz, 1983, p39; Marginson, December 1985).

Initially the creation of the 'needs' oriented Schools Commission in 1973 'defused' the State aid conflict by creating a bigger cake and by promoting a consensual settlement which effectively co-opted or disarmed those in public schooling who were later to oppose its implications. Initially there was more money for all. However, by the early 1980's as a result of policies which transferred a growing proportion of Schools Commission funds to the private sector, dissatisfaction amongst state school supporters re-emerged. This dissatisfaction was further fuelled by the change of Chairmanship of the Schools Commission on 1981. When the term of the original Labor-appointed Chairman, Dr Ken McKinnon, expired, Fraser did not renew him and instead replaced him with Dr Peter Tannock who was closely identified with the Catholic schools sector. Public school parent and teacher groups were outraged and openly referred to Tannock as the 'Commissioner for Private Schools'. In 1981 the state school parent (ACSSO)\(^1\) and teacher (ATF)\(^2\) representatives on the Schools Commission prepared a minority report condemning the Fraser Government's interference with Schools Commission policy and the continued funding drift to the private schools. Opposition hardened, and in January 1982 the ATF moved to a 'no State aid' position and when its member's term expired on the Schools Commission at the end of 1982 it refused to nominate a replacement.

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2. Australian Teachers Federation, representing State Teachers Unions nationally.
The ALP Opposition Hardens Its Attitude to State Aid

This growing dissatisfaction amongst state school supporters was reflected in a hardening of ALP education policy. The revised 1982 Platform required that Commonwealth funds be available only to those non-government schools whose total private and public resources do not exceed the resources of comparable government schools.

As the March 1983 election approached, the ALP articulated its concerns and fleshed out the specifics of its schools funding policy. In an official statement, Shadow Minister for Education, Chris Hurford, declared:

Labor will end the unfairness of the Fraser Government's policies. They have rekindled the wasteful state aid debate by cruelly unjust appropriations of the education dollar. This has caused the resentments which are so divisive ...

Labor believes that the national government should be ensuring that the scarce education dollar must go in preference to those schools with less rather than to those schools which are already above a community standard.

Hurford indicated, and Hawke in his policy speech confirmed, that the fifty wealthiest private schools would have their grants (then 20 percent of government school running costs) reduced to 15 percent in 1984 and 10 percent in 1985. Thus at the end of Labor's first term, whilst all private schools would still be receiving a Commonwealth grant, the wealthiest schools would be receiving considerably less and there was an implicit assumption that the grants to these schools would be phased out.

As Dawkins and Costello noted, Labor had decided 'to make a decisive move to break the log-jam' on the 'divisive state aid issue' and this was to be done by abandoning the 'nexus' and having the Schools Commission develop a 'community standard, 'a level of resources which the community at large will accept as necessary for children in various settings to get a high standard of schooling' (Commonwealth Support for Non-Government Schools, 1983, p7). Once the 'community standard' was defined, wealthy schools which chose to remain outside it would be denied any aid at all (Dawkins and Costello, pp73-79).

The Hawke Government's 'Hit List' of 41 Private Schools

In July 1983, just a few months after taking office, Senator Ryan, Minister for Education, took the first decisive (though historically and strategically naive) step towards implementing this ALP policy. She announced in her guidelines to the Schools Commission that the nexus was to be abandoned and the recurrent grants of the 41 wealthiest private schools were to be reduced by 25 percent. (The remainder of the schools in the wealthiest category (1) were to receive no increase
in their grant for 1984, whereas Category 2 and 3 schools were to receive increases of 1 percent and 3 percent respectively.) In a predictable response - almost a re-run of the 1973 conflict - the private schools sector sprang to the defence of its wealthiest members. As in 1973, the Catholic sector staunchly defended the right of wealthy non-Catholic private schools to retain their grants at existing levels and argued for the retention of the percentage-link or nexus (Hogan, 1984). As Jane Kenway (1984) has pointed out, the media fixated on this most sensational aspect of the guidelines and the wealthy schools were quickly dubbed 'victims' of Susan Ryan's 'Hit List'. The fact that 90 percent of private schools were to share an increase of $9.5m in grants for 1984 and that government schools were to receive an extra $31.4m was largely lost as attention focused on the plight of the 41 wealthy schools.

The predictable and inevitable result, however, was that Ryan found herself in deep trouble during the latter months of 1983 as she was obliged almost daily to address large and frequently hostile gatherings of anxious private school parents across the country. For the second time in a decade, the ALP in government discovered that the wealthy private school lobby and the Catholic Bishops in combination are a formidable opposition (Kitney, 1983, p3). In retrospect, the $4m to be 'saved' from these 41 'elite' schools and redistributed was so miniscule in a Schools Commission recurrent budget of $1221.8m that it was almost laughable. Ultimately, Hawke was obliged to intervene himself. Amidst rumours that Ryan would be moved to another portfolio, Hawke joined her in the task of addressing meetings and lobby groups to reassure them that this decision was not the 'thin end of the wedge' and there was no intention to phase out aid to private schools.

**Hawke Becomes More Conciliatory to Private Schools**

In a further measure to quell the panic in the private schools, Ryan and her Department prepared a widely distributed booklet, reassuringly titled, *Commonwealth Support for Non-Government Schools*, providing information about the Government's 'policies for non-government schools in 1984 and beyond'. It explained the decision to 'break the percentage link' (nexus) and move to a 'community standard' as the only way to overcome the continuing inequalities in school resources by a more redistributive approach. However, it reassured schools that because there would be more money available, redistribution would harm few and 90 percent of private schools would receive increased grants in 1984. That year was to be an interim year whilst the Schools Commission carefully researched and devised the 'community standard'. Hawke's intervention and the booklet were, of course, counter measures designed to restore the badly shaken confidence of the significant private school electorate and, as Ryan put it, to 'lay(ing) to rest
some of the mistaken and sometimes outrageous claims which have been made about the policies of the government I represent' (Commonwealth Support for Non-Government Schools, 1983, pp2-3).

Clearly the Government had been rocked by the extent of the reaction to its policy and by early 1984 the signs were obvious that the cautious and pragmatic Government would not pursue its declared intention to 'phase out' aid to the wealthiest schools. In a speech at Geelong College in March 1984 Ryan hinted as much when she declared:

Insofar as change may be thought desirable in the national education system, under the Hawke Government it will be gradual and reformist, rather than abrupt and radical. Indeed, it could hardly be otherwise, given the complexity of the questions which must be asked and answered and given our commitment to consultation and consensus (emphasis mine) (Commonwealth Record, 1984, pp379-381).

The Schools Commission's Report on Funding Policies

In March 1984 the Schools Commission's eagerly awaited report, Funding Policies for Australian Schools was released. It was later dubbed an 'historic settlement' by the Sydney Morning Herald (August 14, 1984). This controversial document of 140 pages contained minority reports from two commissioners representing government school interests. The report detailed the 'community standard' and spelled out recurrent funding options for the Commonwealth to be examined in the context of the forthcoming 1984-85 budget deliberations.

The report acknowledged various ministerial guidelines and objectives including: the need 'to restore the community's confidence in the Government's determination to give all children access to properly staffed and equipped schools'; the desire to give 'greater weighting' to the principle of 'need'; and the need to 'have particular regard to the deep concern of the Government about the extent of inequality in Australian schooling'.

At the outset too, the report acknowledged the Commission's obligations under its Act, both to have regard to 'government's primary obligation to provide and maintain public schooling of the highest standard', and to 'have regard to the prior right of parents to choose government or non-government schools for their children'. As to the former obligation, it acknowledged that 'significant modification to present funding arrangements' would be necessary to ensure that the Commonwealth more directly supported the role of public education. As to the latter, it acknowledged the continuing public debate about the extent to which private schools should receive public support but asserted rather forcefully:
What cannot be denied is the entitlement of all children to resources for schooling consistent with their educational needs. This is an entitlement children enjoy in their own right, and has nothing to do with their parents' financial capacities or tax contributions.

Amongst its key recommendations, the report proposed a 'community standard' of $2,195 per primary student and $3,240 per secondary student with an additional loading for government schools because of their 'different circumstances' and obligations. The report also stressed the vital need for 'a period of stability and agreement about the future direction of Commonwealth and State general resources funding'. The Hawke Government was well aware of this need after the turbulent debate of the preceding 8 or 9 months!

Urging the government to boost confidence by providing guaranteed levels of funding for the four years 1985-1988, the Commission proposed three options for the recurrent funding of government schools. Each option was premised on an annual increase in the Federal contribution and the options ranged in cost over four years from an additional $140m to $240m.¹

For private schools, the Commission recommended a new 8 or 12 category system of need based on the percentage of the community standard or Government School Standard derived from private sources by 1988. The Commission expressed its preference for a 12 Category scheme linked to the community standard. This scheme would cost the Federal Government an additional $106m over the four years. (The ATF has disputed the Schools Commission's estimates of costs, arguing that they are much too conservative and the real costs could be much higher.) Perhaps partly sensing the weakened resolve of the Government on the issue of 'phasing out' aid to the wealthiest schools and certainly, partly reflecting the views of the Commissioners representing the private sector, the report gently recommended that all schools be eligible for a Category 1 grant.

Key Public School Commissioners Dissent from Report

Two of the key public school representatives on the Commission, Joan Brown (ACSSO) and Van Davy (ATF), refused to endorse the report and submitted their own separate and highly critical minority reports. Both raised the by-now familiar accusation (in relation to the Schools

¹ Option 1 would result in the Commonwealth reaching a target of contributing 10 percent of the community standard by 1988. Option 2 would result in the Commonwealth meeting a constant 8 percent of the community standard. Option 3 would involve an annual 10 percent increase in Commonwealth contribution over the four years.
that the document focused excessively on the funding needs of private schools in
derogation of the Commission’s ‘primary obligation’ to government schools (Funding Policies
for Australian Schools, 1984, pp115, 121). They asserted that the annual increases
recommended for private schools alone would put such a financial burden on the Commonwealth
that it would seriously compete with the much-needed increases for government schools. Both
were also highly critical of the enormous financial drain which the Commission's recommended
continuing provision for new places in private schools would incur (from $80-$100m extra over
four years). They argued that this inevitably reduced the scope for government school funding
and that the provision itself reflected the Commission's priority for the principle of access and
choice over other key priorities including 'primary obligation to government schools' and the
'promotion of greater equality of outcomes'. Both were also critical of the concept and
methodology behind the community standard and Brown urged retention instead of government
school standard costs as the only appropriate yardstick.

In a departure from ATF official policy of 'no state aid', Davy proposed a compromise - a
moratorium on additional Federal expenditure for private schools, with no new places to be
funded and maintenance of private effort to be conditions for continued funding. In the final
section of his minority report, Davy condemned the flimsiness of the methodology underlying the
'community (target) standard' and severely criticised the nature of the Commission's inquiry
process:

The procedures and the time-line have been most unsatisfactory resulting in a
report that will do nothing to generate confidence in and support for the Schools
Commission from those serving the government school.

In spite of this, however, the majority view in the report gave the Hawke Government the
justification for reversing or halting the 'phase-out' to wealthy schools should it decide that
pragmatism and consensus argued for such an approach.

The 1984 ALP Conference Confirms 'Phase-Out' Policy

With only a month to go before the Government was to announce its decisions on school
funding, the July 1984 ALP Biennial Conference - the supreme policy-making body of the ALP
whose decisions are technically binding on ALP politicians - in Canberra threw an obstacle (albeit
not insurmountable) in the path of what might otherwise have been a smooth policy reversal. At
that Conference, a series of reformist resolutions were moved and passed which reflected the
prevailing 'pro-government school' mood of the party. The most salient of these resolutions
called upon the Federal Government 'to continue to phase out all funding support for the most
wealthy private schools ... and redirect these funds to government and non-government schools on the basis of need'. The Conference also recommended that an additional $260m of recurrent funds be provided by the Federal Government for government schools by 1986. Ironically, the Federal Minister for Education, Susan Ryan, was one of the prime movers in the adoption of these policies at the Conference (ALP Biennial Conference, Canberra, July 1984, Education Resolution No 3. See Ramsay, 1984).

Hawke and Ryan Reject 'Phase-Out' and Opt for Consensus
On 14 August 1984 the Government announced its new funding policy for schools. Both Hawke and Ryan took great pains to describe it as an historic settlement designed to 'take off the political agenda of the 1980's the tired old state aid rhetoric of the 1960's' (Ryan, August 1984). On close analysis, it is revealed to be an extremely generous funding policy, pragmatically designed to defuse the state aid debate and ensure consensus by making more money available for virtually all schools and simultaneously giving long-term stability by promising legislation guaranteeing levels of funding for four years. (See Tables 2 and 3 in Appendix.)

The Schools Commission's '12 category option' and 'community standard' was endorsed as was the recommendation that all schools receive aid. The wealthiest schools categories (1 and 2) were guaranteed their existing money grants would be maintained in real terms though without the real increases applying to schools in all other categories. Government schools were to be given a real increase in Commonwealth funds of 50 percent over eight years - as contrasted with a real decrease of 1.9 percent during the seven years of the Fraser Government.

Many ALP Supporters Feel 'Betrayed'
Naturally this consensus solution was seen as the sacrificing of long-term ALP principles for short-term electoral pragmatism by many ALP members and public school supporters. Thus an ATF Research Paper described it in the following terms:

'It is hard to capture in words the sense of outrage and betrayal amongst government school teachers and parents following the release of the Federal Government's Guidelines for Schools Funding on 14 August this year.

In one stroke the Hawke Government silenced the militant minority opposition of the private school supporters by giving them everything they wanted, stroked the captains of industry with a promise that education would be brought into line with their needs, guaranteed the fiscal 'rationalists' that there would be no Whitlamite expansion of education funding (except to private schools), soothed the 'back to basics' lobby by adopting their rhetoric and reassured all those who...
fear the teacher unions with a very public declaration of the Government's intention to shut the unions out of any influence over education policy.

It was a spectacular conservative coup. Hawke had become Fraser, only this time there was no alternative waiting in the wings.

Given the finely-tuned electoral pragmatism and neo-conservative economics of the Hawke Government, these outcomes in retrospect look less surprising. (ATF, September 1984).

Ryan's speech to the National Press Club of 15 August 1984 confirms the impression of a Minister and a Government extremely anxious to find a compromise and willing to spend their way out of trouble.

... This package of decisions means that there is no legitimate way in which the State aid debate can be pursued, and that a real basis for consensus in schools funding has been achieved ... Too much of the Government's time has been taken up with arguments about dollars.

It was not only the ALP ideologues who felt this solution smacked of expediency. For example, the widely respected political commentator, Alan Ramsay, (1984) was cutting in his criticism of Ryan's speech and the turnabout:

Thus the Government that seventeen months ago pledged its primary obligation to the State school system, and built its education policy on the priority of money for the needy, will now enshrine financial support for even the wealthiest private schools in the statutes.

Participation and Equity in Schools

The sense of betrayal felt by some public school supporters over the Hawke 'historic settlement' in the school funding arena should not be permitted to obscure the efforts made by the mildly reformist Hawke Government to implement ALP platform in relation to enhancing access to and participation in education at all levels.

Perhaps the single education program which best captures the long-term educational goals and ideals of the ALP is the so-called PEP program. During 1983, Ryan said of PEP:

The new program ... will be the centrepiece of the overall framework of youth policies ... The program will have the twin objectives of increasing participation in education and introducing greater equity in the Government's overall provision for young people ...
Government wishes to achieve a situation where, by the end of this decade, most young people complete the equivalent of a full secondary education, either in school or in a TAFE institution, or in some combination of work and education. (CPD, Senate, 25 August 1983, pp240-241).

However, it would be wrong to see this program as a unique ALP innovation, evolving neatly from pre-existing ALP education policy which, rooted in the Walker (1944) and Karmel Reports (1973), has had a long-standing concern with the issue of equality of educational opportunity. Rather, it is an amalgam of ALP educational idealism with elements of existing Fraser government policies and the pragmatism of Hawke, responding swiftly to the unprecedentedly high levels of youth unemployment confronting the incoming government. This was linked to a desire to 'correct' simultaneously Australia's remarkably low secondary school retention and completion rates (only 36 percent of students were completing Grade 12 in 1982) and increase participation in post-compulsory education.

However, the largely instrumental nature of the catalyst for PEP should not detract from the Government's clear commitment to placing a high priority on the educational and employment needs of young people and its 'recognition of their significance in national recovery and reconstruction'. Right from day one, the Hawke Government set in train a number of initiatives to promote a more coordinated approach to the area of youth policy. The recent Priority One and Youth Traineeships programs and the Kirby Report on Labour Market Programs are all testament to a strong concern for youth.

The Government allocated $74m for PEP in 1984, all but $4m of which was for government educational institutions including TAFE and the universities and colleges. Most of it was to be targeted at the approximately 40 percent of schools with the lowest retention rates and to be used to reduce the number of students who leave school prematurely by seeking to stimulate broadly based changes in secondary education (Participation and Equity in Australian Schools - The Goal of Full Secondary Education, Commonwealth Schools Commission, Canberra, 1984, p1).

The Apparent Success of PEP

Probably through a combination of fortuitous circumstances and sound policy the outcome for the Hawke Government has been remarkably satisfying. Partly through a firming trend in school retention rates which preceded PEP and partly through the PEP strategy, national retention

1. See for example CTEC's Learning and Earning: A Study of Education and Employment Opportunities for Young People, AGPS, Canberra 1982. This report was prepared for the Fraser Government and Recommended PEP-type solutions.
rates through Grade 12 have climbed dramatically from around 35 percent in 1982 to 45 percent in 1984 and probably around 50 percent in 1985 (Quality and Equality, Schools Commission, Canberra, 1985. p199). The apparent combined effects of Hawke economic strategy as well as Secondary and Tertiary PEP were also gratifying. In the first two years of the Hawke Government, unemployment in the 15-24 age group fell by 76,000 whilst the number in the same age cohort participating in full-time post-compulsory (age 16+) education rose by 56,000. According to the Chairman of the Commonwealth Tertiary Education Commission: 'it is clear that the expansion in education has been a more important factor in reducing unemployment of young people than has improvement in economic activity' (Hudson, 1985, p49). A recent Federal Government Committee optimistically predicted that the bulk of Australia's youth unemployment might be eliminated by 1992 through a combination of continued expansion of full-time education opportunities and the introduction of a new federal youth traineeship scheme (QERC, 1985).

Criticisms of PEP
Despite these statistics, PEP is not without its critics. This is partly, no doubt, because FEP highlights a central dilemma for Australian secondary schools in the 1980's - how to balance the demand for a uniform academic curriculum against the need to provide for new types of non-tertiary-bound students. The NSW Teachers Federation has criticised PEP for lacking direction and failing to analyse the needs of students. As a consequence, it argues, schools are taking the 'soft options' approach and providing non-academic students with 'bread and circuses' whilst they spend their final school years avoiding the dole queues (Dawson, 1984). Max Charlesworth, the Liberal Catholic philosopher summed up the growing anxieties about PEP in other quarters:

Paradoxically, in the name of helping under-privileged youth, a dual system of education is being set up, which in effect perpetuates the structure of privilege in our society, a structure in which knowledge and power remain in the hands of the few (quoted in Smart et al, 1986).

In a surprise move too, in the May 1985 Mini-budget, the Hawke Government provided a further source of disenchantment to its reformists when it slashed the Schools PEP budget by $23m - or 50 percent (Schools Commission Report for 1986, Canberra, September 1985).

Quality of Education Review Committee
The emergence of the Quality of Education Review Committee (QERC) was consistent with the trend in other western countries including the US and UK. As Scott (1986) has noted,
economic difficulties have increasingly led western governments of both the left and the right to 'perceive their education systems as predominantly aimed towards producing an internationally competitive workforce'. Two over-riding concerns were responsible for the emergence of QERC and dominated its terms of reference - establishing 'value for money' from Federal expenditure (whilst simultaneously 'putting the lid' on Federal spending on schools) and gearing the education system more closely to labour market needs (Smart et al, 1986).

Undoubtedly, widespread community concern about educational standards and the enormity of the Federal deficit were mutually reinforcing pressures which pushed the Hawke Cabinet in what might have been considered an unusual direction for a Labor Government. QERC appears to have been 'forced' on the Minister for Education as a result of 'intervention' by senior econocrats in the Departments of Finance and Prime Minister and Cabinet. In their review of the Education Department's 1984 pre-Budget submission, the bureaucrats demanded evidence that the massive increase in Federal per pupil expenditure (50 percent between 1973 and 1983) had improved the quality of education. Thus, unlike the Karmet Report of 1973 which was primarily concerned with financial and educational inputs, QERC was required to establish that there were identifiable educational outcomes from Federal aid. It appears likely that the Minister for Education was virtually obliged by Cabinet to agree to this inquiry as a precondition to Cabinet approving the expensive 'historic settlement' schools funding package (Smart et al, 1986).

Given that it was to inquire only into the schools sector, the membership of the Committee raised some eyebrows. The members were Professor Peter Karmel (Vice-Chancellor of ANU) as Chairman, Hugh Hudson (Chairman of CTEC), Dr Barry McGaw (Director of ACER, recently resigned as Professor of Education at Murdoch University), Mr Peter Kirby (Assistant Director General of Employment and Training in Victoria) and (later) Ms Helen Williams (then Deputy Secretary of the Commonwealth Department of Education, later Secretary). The ATF and State Directors-General of Education unsuccessfully sought membership of the Committee, arguing that it was dominated by unsympathetic tertiary educators and Commonwealth bureaucrats. It is also noteworthy that no member of the Schools Commission was appointed, for implicit in QERC's establishment was the Government's concern to evaluate the role of the Schools Commission itself. As we shall see, QERC's creation may well have been from the outset part of a wider strategy to downgrade the role of the Schools Commission. Even if no such strategy existed, certainly QERC was to have that effect.
Predictably, perhaps, QERC was unable to come up with conclusive measures or evidence of the beneficial effects of massive Federal aid between 1973-1984. However, its 'impressions' were that schools had 'produced results superior to those which would otherwise have been the case'. Whilst essentially supportive of continued Federal aid to schools, QERC's major recommendations emphasised the need in future to devise better means for agreeing on the goals to be achieved and monitoring and gauging the educational outcomes. Thus it recommended:

- future recurrent grants should be based on 'negotiated agreements' between the Commonwealth and the other parties (State governments and non-government education authorities) which declared priority areas (eg basic skills, disadvantaged students, etc);

- triennial accountability statements describing changes in prescribed educational indicators relating to the priority areas (eg levels of attainment in general skills, post-compulsory education participation rates by socioeconomic class/gender/rural-urban location, etc);

- reducing the number of existing specific purpose (categorical) programs and tightening up the reporting requirements associated with these.

Whilst the Federal Government was quick to endorse QERC, there has been limited progress towards implementation - for neither the State Education Departments, nor the private schools, nor the Commonwealth's own Schools Commission have been very enthusiastic about the proposed 'negotiated agreements' and 'accountability statements' with their heavy emphasis on evaluation indicators. The State Departments, in particular, have expressed unwillingness to jump through inconvenient 'Commonwealth hoops' for the sake of relatively minor funds which constitute only 7 percent of their total recurrent schools expenditure.

The views of the NSW Education Minister are probably fairly representative:

QERC is less concerned with quality and standards of attainment than with justifying a transfer of funds from schools which cater for all comers (public) to schools which cater for particular sections of the population (private) and to tertiary institutions. It is also an attempt to dictate to the States what their priorities and policies for education should be... I regard this as a direct attack on the constitutional responsibilities of the States (quoted in Scott, 1986).
In the final analysis, I find myself very much in agreement with Scott's (1986) assessment of QERC:

The origins of QERC, arising as it did out of Cab'net discord over education spending, the 'value for money' thrust of the Committee's terms of reference, and the extraordinary speed with which it operated, all tend to lend credence to the view that the intention behind establishing the Committee was the result more of financial than educational considerations.

Just one month after the release of the QERC Report, the Treasurer's May 1985 Mini-budget carved $48.2m off the Schools Commission's total $1.474b budget for 1986 - a net reduction in real terms of 1.3 percent on 1985. Ironically, public schools suffered the brunt of the cuts (2.7 percent reduction) whilst private schools achieved a one percent increase (Schools Commission Report for 1986).

QERC was clearly a highly political exercise which was as much about keeping the lid on future schools spending and justifying a shift in emphasis to the funding needs of the tertiary education sector as it was about educational standards. Furthermore, it became a vehicle for assisting in the downgrading of the Schools Commission's previously central role in school funding and policy determination.

**Shifting Priorities and Power in Canberra: The Emasculation of the Schools Commission**

During the Hawke Government's first three years of office a significant shift of bureaucratic power and influence has been occurring. Gradually, a somewhat vulnerable and relatively unimportant Department of Education has been strengthening its power and influence with the Minister - partly through changes in its leadership and partly through expansion of personnel and budget at the expense of the Schools Commission and Department of Aboriginal Affairs. Simultaneously, the Commonwealth Tertiary Education Commission - partly through the political skills of its new Chairman, Hugh Hudson, and partly through the increasingly obvious signs of neglect in the tertiary sector - has climbed to prominence as a key advisor to the Federal Education Minister and Cabinet.

The ascendancy of the Department was undoubtedly assisted by the rising prominence of its new Permanent Head, Helen Williams, during a period of hiatus and vulnerability in the Schools Commission's leadership. Dr Peter Tannock resigned at the end of 1984, leaving the Commission's leadership in limbo. Despite being a Fraser appointee and being labelled by many
public school supporters as primarily a private school sympathiser, Tannock was an able bureaucrat who competently defended the Schools Commission's turf. Once he left, the knives were out. During the first half of 1985, whilst a new Chairman was being sought, QERC and a Public Service Board Review were instrumental in ensuring that Cabinet would agree to the transferring of the Schools Commission's two key programs - together with their billion dollar budget - and almost half of its staff to the Department of Education. By the time the new Chairman, Garth Boomer - a curriculum rather than policy specialist - was in place, the Schools Commission was clearly destined for a significantly downgraded role. Ostensibly freed from major program administration so that it could play an 'enhanced policy advice' role, the Commission is looking increasingly as though its main function will, in fact, be to run a Curriculum Development Centre.

The Shadow Minister for Education, Senator Peter Baume, alleged that Senator Ryan had been single-minded in her determination to 'gut' the Commission and predicted that, deprived of its data base, it will become a powerless advisory body whose advice will be ignored as irrelevant to the implementation process (Canberra Times, 10 July 1985).

In July 1985, a union survey revealed massive alienation among Schools Commission staff as a result of chronic understaffing and organisational uncertainty:

The constant movement of people out of the Commission, the internal changes necessary to meet workloads ... has resulted in staffing instability for the programs administered by the Commission. There is a serious morale problem as staff at all levels attempt to carry out complex administrative tasks ... while under pressure to provide policy advice as well (Sydney Morning Herald, 17 July 1985).

It is difficult to avoid the conclusion that the Labor Government has deliberately emasculated the Schools Commission. Perhaps concluding that the Commission had become too oriented towards the private schools and too difficult to control, Cabinet decided to pull more financial and policy responsibility back into the hands of the ministerially-controlled Department - a decision which coincided nicely with the territorial imperatives of a Department striving to justify its own continued existence.
CONCLUSION

Under the radical reformist Whitlam ALP Government from 1972-1975, education was viewed as a central instrument for making society more equal and for promoting social reform. However, between the early 1970s and the early 1980s the western world underwent a severe economic recession and an accompanying pendulum swing from fairly liberal to much more conservative social, political and economic values and attitudes. The education policies of Reagan, Thatcher and Fraser reflected that pendulum swing. When the Hawke Labor Government came to power in 1983, whilst some of the educational rhetoric of the Whitlam era remained in Labor's platform, the reformist zeal and the determination to use education as an engine of social reform had largely evaporated. Under Hawke, Labor has become a much more cautious party of the middle ground. The politics of electoral pragmatism and consensus have largely replaced the politics of idealism and reform. Anxiety about the budget deficit has ensured that 'sound economic management' has remained the predominant priority and largely pushed social and educational redistributionist policies into the background. As a result, the major determinants of education policy have been economic rather than ideological.

During the latter half of 1985 a number of respected and influential ALP elder statesmen dating from the Whitlam era (Hayden 1985; McLelland 1985; Whitlam 1985) began warning the Hawke Government about the dangers of losing sight of its traditional Labor goals and philosophy in its desperation to win acceptance by big business and the advocates of privatisation. McLelland warned the Party:

If the only reason you're in politics is to stay in office you're not going to be making much difference to the obvious inequities in society (Weekend Australian, 13-14 July 1985).

The Hawke 'scoreboard' in educational reform to date suggests that the Party is pre-occupied with staying in office. Nevertheless, its reading of the conservatism of the electorate is an essentially accurate one and its pragmatic and consensual policies are totally understandable, if not acceptable to the ideologically pure within the ALP.
BIBLIOGRAPHY


Smart, D. (1978) Federal Aid to Australian...ools, University of Queensland Press, St Lucia.


TABLE 1: SOME KEY AREAS OF AUSTRALIAN FEDERAL BUDGET OUTLAYS 1974-5 TO 1984-5 IN CONSTANT 1979-80 DOLLARS ($b)

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<tr>
<th>OUTLAYS</th>
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<td>2.783 2.906</td>
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SOURCE: Budget Papers, H.R. 21 August 1984, p389
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Source: CSC Report for 1986: pp9-10
TABLE 3

COMMONWEALTH ALLOCATIONS FOR SCHOOLS 1986

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<th>1986 National Allocations</th>
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<td>Commonwealth Specific Pu. se Programs for Schools</td>
<td>Commonwealth General Resource Programs for Schools</td>
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<td>1985 ($'000)</td>
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GOVERNMENT PROGRAMS

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<th>Program</th>
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<td>534 144</td>
<td>330 741</td>
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<td>Participation &amp; Equity</td>
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<td>150 890</td>
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<td>English as a Second Language</td>
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<td>General Recurrent (a)</td>
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<td>54 406</td>
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<tr>
<td>Capital (b)</td>
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<td>171 740</td>
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<td>TOTAL</td>
<td>1 241 232</td>
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(a) As this program operates on a per capita basis, final costs will be subject to actual enrolments each year.
(b) Based on latest available year's actual enrolments (1984), final payments are dependent on actual enrolments for 1985 and 1986. The distribution of increased enrolments among the funding categories is the outcome of appeals by schools against their funding categories and the number of new schools to qualify for Commonwealth per capita Establishment grants based on projected enrolments. Total costs are estimated at an additional $13m $15m in 1985 and $15m 22m in 1986.

NON-GOVERNMENT PROGRAMS

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<tr>
<th>Program</th>
<th>1985 ($'000)</th>
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<td>Participation &amp; Equity</td>
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<td>General Recurrent (b)</td>
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<td>Capital (c)</td>
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<td>TOTAL</td>
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(c) Includes amount to be transferred from Department of Community Services in 1986. An amount has also been included in 1985 for reasons of comparison.

Source: CSC Report for 1986: p57
FIGURE 1:

Source: Budget Papers No 1 1978 - 79 to 1983 - 84 / Department of Finance
FIGURE 2: CHANGES IN SELECTED COMMONWEALTH BUDGET AGGREGATES BETWEEN 1975-76 AND 1982-83 (REAL TERMS)

-6.4% HEALTH
-24.2% GOVERNMENT
-31.9% HOUSING
-40%

TOTAL OUTLAY +15.9%
DEFENCE +32.7%
ALL SOCIAL SECURITY +45.1%
UNEMPLOYMENT BENEFITS +51.3%

+8.2% TAXES
+87.2% INDUSTRY ASSISTANCE
+57.5%

PRIVATE SCHOOLS

(103)

(Source: Commonwealth of Australia, 1983-84 Budget Paper Number 1, pages 358 to 363)