



Speech by

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EDUCATION (ACCREDITATION OF NON-STATE SCHOOLS) AND OTHER LEGISLATION AMENDMENT BILL

Mr LANGBROEK (Surfers Paradise—Lib) (4.21 pm): I am pleased to rise to speak to the Education (Accreditation of Non-State Schools) and Other Legislation Amendment Bill. In doing so I will immediately say that the Liberal Party will not be supporting this bill.

This is a bill that first and foremost provides a disincentive for private companies to invest in educational services. While I recognise that this bill is not designed to keep companies from opening schools and that the bill does not deny accreditation to those schools, the very fact that the government is making a move to start schools instigated by private enterprise so far behind the eight ball means that schools of this nature will find it extremely hard, if not impossible, to compete in this market.

I say to the minister at the outset that we have no problem with the concept of a school from which profits may be returned to shareholders—a school that is answerable to the same standards that are applied to any other school; a school that would have to be answerable to parents and to students, to the community, to the board of directors and, in this case, to shareholders.

If there is any inkling from members opposite that voting against this bill will inhibit a child's education they are wrong. There is no use standing up here and saying that schools that pay profits to shareholders are bad schools, because there is no evidence to support such a statement. Moreover, such an ideological attack erodes the options that are available to students and their parents when considering educational options. It would appear, to some extent at least, that these reactions reflect an underlying belief that educational services delivery is somehow tainted when there is private sector involvement. However, international experience has sufficiently demonstrated that private sector participation in the school sector can deliver real benefits for students. An article states—

In many American states companies can legally operate schools. For instance, charter school legislation allows private organisations to operate schools, and these schools can receive public funding for as long as they satisfy the educational accountabilities and other requirements of the charter agreement.

The Premier is always speaking about overseas examples of policy that we could take up here. Let us have a look at some examples of for-profit schools that exist overseas. The Edison Schools serve around 235,000 students in 20 states. In 2003 these schools ticked over \$425.6 million in revenue and employed 6,348 people. More importantly, between 2002 and 2003 there was an average gain of 6.7 percentage points on test scores. This represents a gain of over twice the national average.

Mosaica Education Inc. has 45 institutions and 11,000 students. The business was one of America's fastest growing businesses in 2004. It has been recognised as an 'education innovator' by the US Department of Education. I do not think it would have been acknowledged as one of America's best new products if it was providing an inferior product. These schools have seen massive reductions in students being placed in the lowest percentage quartiles. There have also been large increases in test score results across the board.

Then there is Ombudsman Education Services Ltd with 60 schools. These schools deal specifically with children who have learning disabilities. These are schools that deal in a specific area of education. I

am sure that, if the concept was allowed to grow, a similar school would be a tremendous asset in Queensland. These statistics are to be found in an article by Julie Novak, a private sector economic consultant.

I am also of the mind that including such schools into the educational fabric will enhance the pool of educational resources. This bill rules out a chance for some parents who are deliberating over taking their children from public schools to private schools to even consider that as an option. Rather, it is a move by the government that provides a disincentive for parents to make that move and places an even greater strain on the already underresourced government schools. The article states—

For states hooked on various incarnations of 'state socialism', these regulatory impositions seem nothing more than contrivances acting to shield poorly performing government schools, and the public sector teacher unions that patronise these institutions, from further competition for students by innovative non-government school education providers.

Julie Novak also states that policies like the one we are debating today further skew the playing field of funding, particularly to the advantage of the public school system. This is very enlightening with a view to finding the motivation for this bill. We see that examples of these schools work overseas. Further, there is no significant literature to say that a child's education will be disadvantaged by attending a for-profit school, unless, of course, that school has to perform without the normal assistance that a school should expect with X number of students.

I mentioned the United States examples. There are also a number of for-profit private school chains already operating in the UK. Chains of for-profit private schools are also developing in countries as diverse as Sweden, Brazil and even in the communist People's Republic of China. That group of schools is called South Ocean Schools.

It may be that Minister Bligh has given up in her mission to take Queensland's public education to an elite and competitive standard. This is evidenced by the fact that she introduces bills like this one that seek to prevent further competition to state schools so that the deficiencies in the state school system can be hidden for longer. We have many hardworking teachers and other staff in our state school institutions walking to work each day bearing the ultraheavy cross of being underresourced, looking after overcrowded classrooms and often teaching children with behavioural issues. The Queensland Teachers Union is constantly raising this issue with the government.

I am sure that those hardworking educational martyrs would love to see a system where state schools could be pitted in a competitive marketplace so that the deficiencies of those schools could surface at last and the minister could take her head out of the sand. However, in true Labor Party style, the minister and her left wing foot soldiers are blocking the path to progress. Members should make no mistake: this move hurts the progress of public schools by bringing all schools down to the lowest common denominator as opposed to trying to lift all schools up to the new heights that could be achieved through competition in the market.

The international developments reflect a growing vote of confidence in the capacity of the private sector to provide high-quality school education that boosts the long-term economic, social and cultural capacities of young people. 'Profit' is no longer a dirty word in education as the market has progressed from selling textbooks and providing the ingredients for school lunches to delivering education in the classroom. Indeed, it is important to note that in many cases education policy makers are permitting firms to turn around failing public schools. Therefore, in this sense the reactions against corporate involvement in school education at home are dramatically at odds with developments occurring across the globe.

No matter what rhetoric is espoused by members opposite and no matter how much they think they are helping the children of Queensland, they are doing the exact opposite by keeping the standard of all education down by, in practice, preventing for-profit schools from entering the education market. Why would any school of this nature enter into a market where they start with such a financial handicap? This move is a blatant ideological attack and this parliament cannot stand for it.

Another problem with this bill is that it creates a plethora of interpretational problems in relation to bodies which enter into agreements and contracts. I refer members to a letter that I have received from the chairman of the governing council, Canon Bruce Maughan of the Cannon Hill Anglican College Pty Ltd. My colleague the honourable member for Bulimba, in whose electorate the college is situated, has had representations from Canon Maughan. He stated that he was not interested in politicising the nature of this debate but that, in terms of his frustrations, the proposed legislation 'should be more thoroughly thought through'. He also states—

The organisational status of an entity does not of itself impact on its not-for-profit status. Companies limited by shares, such as this college and, we believe, one other affected college—

And that college is Djarragun College in north Queensland—

that are not-for-profit organisations have provisions in their constitutions prohibiting the distribution of any of the company's funds to members. This college has such a provision in its constitution. Such a provision ensures a company limited by shares can only operate on a not-for-profit basis.

We believe that the legislation could be redrafted to make eligible a company limited by shares if it is clearly determined to be a not-for-profit entity rather than defining companies limited by shares as ineligible and then providing for exceptions.

He considers that to be clumsy. He mentioned that on a couple of occasions. I know that representations have been made by him to the government and I ask the minister to address that.

Mr Purcell: He wasn't looking to put taxpayers' funds into private colleges. I can assure you of that.

Mr LANGBROEK: Thank you. The at arm's length definition is qualified. Rather than using the traditional and time honoured meaning of the word, the legislation contemplates a qualified version that would not prohibit arrangements only because the non-profit entity has the power to appoint or remove a person as a director of the governing body. The legislation fails to go on and state the other requirements for the arrangements to be prohibited under this test. No doubt much judicial energy will be spent discovering where a line should be drawn on this issue.

The bill also has interpretation problems with regard to for-profit schools. In a perhaps muddled way, any school that decides to have a prohibited arrangement will not be eligible for funding. That is fair enough, although I do not agree with the premise that that provision is based on, for the reasons I have outlined. At least there seem to be no interpretational issues in that respect.

However, if a school's independence is compromised because of financial decisions relating to a for-profit entity, it will not be eligible for funding. A range of financial transactions could be made, some of which would clearly indicate that a position has been compromised and others that would be borderline. It would be helpful, to say the least, for the purposes of interpretation if the minister could outline some of the situations regarding the erosion of financial independence that would be considered great enough to make a school ineligible for funding.

This bill is flawed as its outcomes will reduce the overall level of educational services in Queensland. The intention of the bill is to satisfy the left wing appetite of some members opposite and to do so even if its outcomes include a lesser level of education for Queensland children. Moreover, the bill contains some substantially vague provisions that need to be addressed.

A couple of additional points are worth noting. The state government has a policy position—albeit a poor performance in practice—which potentially allows for public-private partnerships in the government school/education sector, for example, the Southbank TAFE proposal, yet it wishes to close off the potential for the private sector to collaborate with the non-government school sector.

It is proposed that the Non-State School Accreditation Board have a greater role in the vetting of corporate governance and financial arrangements. I suggest that the board does not have sufficient experience in this regard. It does not have the financial and corporate governance acumen at the level of, say, the Australian Securities and Investments Commission, ASIC, to do the job well. I urge all members to vote against this bill.