



strategic issues forum

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Objectives of CEDA

FINAL DRAFT

The Committee for Economic Development of Australia (CEDA) is an independent organisation mainly comprising business leaders and academics, dedicated to the economic development of Australia. CEDA believes that the people of Australia will gain most from informed individual economic decisions affecting the public and private sectors. CEDA aims to improve the quality of national economic decision making by:

conducting objective research on issues of national and/or international development, independent of sectional interests;

EDUCATION FOR DEVELOPMENT

A STRATEGIC ISSUES FORUM TASKFORCE REPORT

organising about increasing public understanding of the problems of the economy and the ways in which they may be managed;

encouraging the active participation of all members of the CEDA Board of Trustees in formulating the views expressed in CEDA reports;

integrating the results of all the above activities into the CEDA viewpoint which is communicated to decision makers.

The work of the Committee is directed towards improving the general welfare of the community by the dissemination of its views to the public and to Government and private decision makers and by so doing believes that CEDA contributes to the successful functioning of the Australian economy.

MAY 1985

THE VIEWS EXPRESSED ARE THOSE OF THE STRATEGIC ISSUES FORUM AND DO NOT REPRESENT THOSE OF CEDA AS A WHOLE OR OF INDIVIDUAL TRUSTEES. CEDA'S INTENTION IN PUBLISHING THIS REPORT IS TO FOLLOW ITS OBJECTIVES AS A NONPARTISAN ORGANISATION WHICH ENCOURAGES AND ACTIVELY PROMOTES RESEARCH AND INTELLIGENT DISCUSSION IN ECONOMIC AFFAIRS OF NATIONAL INTEREST AND IMPORTANCE TO AUSTRALIA TO AS TO LEAD TO THEIR BETTER UNDER-

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- undertaking objective research on issues of national economic development, independent of sectional interests;
- combining academic and business views in this approach;
- identifying changing economic and social values;
- bringing about increasing public understanding of the problems of the economy and the ways in which they may be managed;
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INTRODUCTION BY PROJECT LEADER

Education is central to the future economic and social development of Australia. Our present industrial society is gradually being displaced. Success in this other "information society" will depend as never before on the development of skills and aptitudes. In the future these skills and aptitudes will be required not just for an elite but - in varying degrees - from the whole population. Many will need special vocational expertise. All will need the competence to play a part in a society that must exhibit flexibility and adaptability if opportunities, as yet unforeseen, are to be successfully exploited.

This prospect has inferred an assessment of the existing Australian educational system. This system has many achievements to its credit. Australia has by international standards, a highly educated population.

But we question if the approaches which have served us well in the past continue to be adequate. We question a continuing dependence on highly centralised bureaucratic administrations. We are concerned about the power of teachers unions. We question the lack of wider debate about educational issues. Finally, we are concerned that the current system, at least at the tertiary level, requires no contributions from its primary beneficiaries.

Our ultimate purpose is to stimulate debate. It even is too important for generals, education is too important for administrators and union officials. All segments of the Australian community, in particular the business community, have a deep stake in its future. That is the fundamental rationale for our report.

JOHN SLATER
Managing Director
Thorn EMI Pty Ltd

EXECUTIVE SUMMARY

The Education System and its future is too important an issue to be left to senior bureaucrats and the leadership elite of teacher's unions. They are the current principal policy makers. There are other stakeholders, including the business community.

This SIF Taskforce Report brings together the views on education in Australia of a group of concerned CEDA Trustees. The objective has been to look forward to the 21st century and ascertain how the current education system can be improved to better prepare for future changes. We have concentrated on the general nature of needed changes. For this reason the major findings in this report centre on the importance of a market based education system in Australia.

This report is the product of numerous discussions the SIF Taskforce had with individuals prominent in the education sector and from the Taskforce's own research into the education debate.

The SIF Taskforces more specific conclusions are:

- . The education system must be decentralized and made less bureaucratic.
- . The education system should be less fragmented with States co-ordinating their systems and the credentials that they award to students.
- . Credentials gained on completion of secondary school should comprise of at least some external assessment of students.
- . Opportunities are needed for teachers to take regular refresher courses and re-affirm their credentials.
- . Per-capita grants given to students in private schools should be the same as given to state schools.

Fees for tertiary institutions should be introduced along with a system of means tested scholarships and a student loan scheme.

Excellence in education should be encouraged. Each individual should be encouraged to his/her highest standard. More diverse training "streams" are required.

Good teachers should be rewarded accordingly; and the tenure system in schools and universities abolished.

Rewards for education in areas demanded by the community should be appropriate. Wage flexibility is therefore essential, allowing more scope for the price mechanism to operate.

Education as an export sector offers real scope for a new growth sector in Australia. No limit on entry of foreign students should be imposed but there must be full cost recovery rules applied to the fees charged.

Education should be general in approach rather than specific so as to better prepare people for the changing demands the labour market will place upon them.

The business community must take a more active and positive role in the education system if it is to ensure the skills it requires will be available in the future. Achieving change requires close attention to the policy making process to ensure the privileged access of existing interest is counter-balanced.

Achieving these goals will mean that the market will play a much larger role in determining how and where education is provided. Consequently, the system should be better able to respond and adjust to the future needs of Australia and hence facilitate its development.

INTRODUCTION

In the 1950's and 1960's when there was a steady growth in the Australian economy employers greatest complaint about the education system was that they could not get students out of schools and universities fast enough to fill vacant positions. The 1970's saw this tide turn. No longer was there an excess demand for labour and no longer were wage differentials between the young and the old so marked. While youth unemployment levels had always been about a quarter of the total of those unemployed, the total number of unemployed had prior to the 1970's always been small. While the seventies saw no real change in the percentage of young comprising the unemployed, it did witness a dramatic rise in the total numbers unemployed. Youth unemployment rates are now two or three times those of the remainder of the labour force.

This trend has caused much concern and consternation. The probability of young persons becoming unemployed as they leave formal schooling is now seen as unacceptably high.

The last decade has witnessed a searching for answers and at times, for scapegoats, to the current youth unemployment problem. At various times the business community, governments, educators and youth themselves have been blamed for the high levels of youth unemployment. The most positive aspect of debate in the last few years has been the attempts to look afresh at the needs of youth in the future in relation to the needs of the economy.

Educators have sought to address the problem. Numerous reports are now available from State Governments on what they view as the needs of secondary education.

Also, at the tertiary level, various reports are available on the funding of the tertiary sector, the provision of adequate places in tertiary institutions for Australian students, the apprenticeship scheme and youth training schemes.

Unquestionably, Australia's educational bureaucrats and professionals are concerned about education and how the current system should be structured so as to better help the young find employment, work satisfaction and provide a valuable contribution to society.

To date, the business community has been relatively silent on how it can contribute to the education process. Its positive contribution has been restricted to participation on the Boards of tertiary institutions, participation in school student work-experience programs and in government youth training programs.

However, there is an emerging belief amongst businessmen that it is not satisfactory for the business community to demand that others remedy their perception of the failures of the education system. Seeking out someone or something to blame, contributes little to the future development of Australia which will soon be in the hands of today's youth.

For this reason the Strategic Issues Forum Taskforce in "Education and Development" has sought to redress the imbalance that has arisen in recent years and to put forward its considered opinion about what it expects of the education system and changes to it which it views as necessary if education is to make a major contribution to Australian development as we move towards the 21st century.

The background to the education system and debate in Australia is well documented in a Strategic Issues Forum Working Paper (No 4). It is clear there that the education issue has been the source of much official attention in the last decade involving numerous State and Federal Inquiries and publications by government education research bodies and other interested parties.

The Strategic Issues Forum Taskforce on "Education for Development" drew on this extensive literature, as well as numerous discussion sessions with leading figures in the education debate in Australia.

The views expressed below are the result of a considered appraisal of the basic issues at the core of the education debate.

THE ROLE OF GOVERNMENT IN EDUCATION

The education sector is dominated in every way by the Governments. State Governments dominate the primary and secondary education system, and the Federal Government the tertiary system. Why is such a dominance necessary?

The reasons for government involvement are several:-

- . To provide public good or a good which benefits both the individual who acquires it and society.
- . To provide merit good, which in its own right warrants provisions and therefore support for its acquisition.
- . To ensure that inadequate choice or foreknowledge on the part of children is overcome, usually by making schooling compulsory.
- . To alleviate social inequality and improve income distribution.

THE ORIGIN OF CONCERN ABOUT EDUCATION POLICY

Problems with the performance of the Education system stem invariably from the problems arising from the dominant role of government. These exhibit themselves in several ways:-

- a. The market pricing mechanism does not operate directly.
- b. Supply is often independent of demand.
- c. Efficient usage of resources is not readily apparent.
- d. Equity is not often achieved since participation in education is correlated with households in higher socio-economic classes.

These failings are important today because their effects are so real and apparent. Youth unemployment and structural unemployment (misfitting jobs and skills) are two of the most obvious. The emerging consensus is that if the state provision of education is failing to achieve its objective then the market mechanism must be allowed to operate in the education sector.

The Strategic Issues Forum Taskforce saw much to be gained for Australia from a freeing up of the education sector. The directions in which changes should be made are the subject of the remainder of this report.

OTHER OBJECTIVES IN EDUCATION

The most basic objective of education is to encourage student competence. This relates to competence in the acquisition and conveying of information and the performance of individual as well as group tasks. It is through the education curriculum that

this competence is taught. At the same time, students are taught an appreciation of social values and the community's heritage, and of the nature and value of work.

The task of education has however become increasingly more complex in the last decades due primarily to rising levels of youth unemployment. Many have taken the view that youth unemployment is merely symptomatic. The real problem is the inadequacies of the education system in providing for society's labour requirements. As a consequence, additional objectives have been set for educationalists to achieve. These include:

- a. Respond to the different needs of different "streams" of students. Academically inclined students should continue to be encouraged. Provision should also be made for non-academic students. Equality of output should be resisted in favour of equality of opportunity.
- b. Encourage the efficient allocation of resource by introducing **flexibility** into the scope for resource transfer to areas of need.
- c. Facilitate education system **responsiveness** to changing market demands for labour.

What has it meant for the education sector in Australia? Quite simply, it has implied the need for a complete re-evaluation of many fundamental aspects of education policy. While we have shown in SIF Background Paper (No 4) that much progress has been made in making the education system more responsive to community needs. There still remains one important path to change, left substantially untrod. This is the role of the market mechanism in the education sector.

MARKET INFLUENCES MUST BE PERVASIVE

Governments influence on the education sector is currently pervasive. By setting standards and the rules, the state has effective control over the provision of education services. Private sector supply of education services occurs under state dictated guidelines. The Strategic Issues Forum Taskforce feels that market mechanisms must be allowed to operate in the education sector if this sector is to fulfill its objectives.

The way in which this can be brought about is the concern of the remainder of this report.

DECENTRALIZE THE EDUCATION BUREAUCRACY

The Education sector in Australia is highly centralized. The Federal Government has control over the Tertiary Sector, directed by the Tertiary Education Commission. The State Governments each have Departments of Education which administer their respective systems and are partly funded by the Commonwealth Schools Commission.¹

With such a centralized control, the education system often suffers. How can a bureaucrat in Sydney know the real needs of a school in Grafton? Furthermore, the State often dictates which schools pupils in one zone, can attend. Consequently, competition for students between schools does not occur on a scale which could encourage schools to be more attuned to the education needs of local communities. Zoning can also work against the equity objective of the education system. Zoning reinforces the status quo. It works against reducing inequalities arising from income and wealth disparities.

¹ See Strategic Issues Forum Taskforce Working Paper No.4 on the Structure, Funding and Operation of the Australian Education System.

Some States have no zoning rule such as the A.C.T. and Tasmania and hence overcome this limitation. Some other States have sought an alternative route to introducing greater competitiveness and responsiveness into the school system. For example, Victoria has decentralized its education bureaucracy into several regions each with a degree of autonomy. Within these regions each school has the right to set up School Councils which comprise parents and teachers, who have some influence over activities within the school. This is progress but not enough.

Zoning and even regionalizing the education bureaucracy still means that the focus of attention is on the institutions and not the individuals in these institutions. An objective of the education system must be to respond to the needs of individuals, not to the needs of some bureaucratic institution.

It should be noted however that the objective of decentralization is to improve efficiency in the education system though this may not imply any quantum reduction in the education bureaucracy. The objective of decentralization is essentially to make the system more responsive and flexible, not as an exercise to reduce the bureaucracy. It is quite possible that fragmentation of an education system through decentralization could in fact increase the overall bureaucracy.

The Taskforce views decentralization in the context of yielding efficiency gains through greater responsiveness to community needs. However, at the same time we do not envisage this as meaning each school can adopt what courses and standards it prefers.

CO-ORDINATE STATE EDUCATION AUTHORITIES

Decentralizing the education system and abolishing zoning can help but there is a need also to consider other forms of changes to the current bureaucracy.

More than anything, there is a need to co-ordinate the education system in Australia. There now are as many systems as there are States with all the difficulties this causes for persons moving between States. Basically, the credentials gained in one region might not be acceptable in another. This is unacceptable in a small country where mobility of the workforce must be encouraged if we are to facilitate economic development,

While there may at first appear to be some conflict between decentralizing the education system and achieving uniform standards in schools, this is not the case. It is one thing to say, "every school can go their own way", another to say "each school should compete with others for students". It is only the latter that we imply decentralization in this report.

There will always remain the need for some central authority to provide guidelins on the form of school curriculums, but not on how they should be implemented at the school or classroom level.

Each school should be left to implement the curriculum guidelines given their own community's needs.

CREDENTIALS

A uniform foundation for the whole education system must also necessitate a uniform system of credentials obtained by individuals from that system.

It is not enough to leave to teachers the task of fully assessing the performance of students. Some objective approach is an essential complement to any school based assessment. Therefore there must be some external assessment of all students, firstly at the age when they can potentially leave school and secondly on completion of secondary schooling. As objective a measure as is possible is then gained of a student's ability. However, such

external assessments should also be supplemented with school based assessments to give the greatest breadth possible to a students credentials.

At the same time teachers credentials should also be maintained to the highest of standards. It is our view that refresher courses should be regularly held for teachers. Teachers should be expected to meet certain performance and evaluation tests. This should be a requirement for promotion and for advanced teaching of these subjects. This process should ensure teachers' standards are maintained at the highest levels. It will also ensure that teachers only teach those subject for which they are satisfactorily trained, a problem now in maths and science courses in schools.¹

EXCELLENCE IN EDUCATION

This Strategic Issues Forum Taskforce supports the growing public demand that excellence in education become one of the education sectors prime objectives.

Excellence here is interpreted as involving the encouragement of students to perform at the boundary of individual abilities in ways that test and push back peronal limits. Teachers and the institutions they represent, should also be motivated to achieve these goals. Excellence also implies education be given the high status it deserves (and has to date not attained) in the community.

¹The issues relating to Universities in this area will be discussed in a later section.

It is the Taskforce's considered view that achieving excellence will in itself result in the curing of many other failings of the current system. This is apparent if we consider how excellence could be achieved.

Firstly, there needs to be more variation within the curriculum and in teaching. Special help should be provided to academically inclined students. This is not encouraging elitism, but just good economic sense. At the same time, special efforts should be made to improve the participation of students who seek advanced development of their skills and capabilities without ultimately seeking academic credentials. A third broad category of students involve those with some special disadvantages (e.g., originally non-English speakers). By attempting to produce a homogenous product from the education system we often bore the bright and give inadequate attention to otherwise able students and to the disadvantaged.

Secondly, good teachers should be rewarded with good salaries and conditions. A requirement is that wages should not be rigid and the tenure system abolished. Calls for such reforms are now not uncommon. However it should be noted that wage rigidity are a basic attributed of our economic system. Nonetheless, this is not an argument for inaction. Deregulation of the Labour market is something that is now gaining increasing attention and will no doubt be an on-going topic for discussion in the future.

For the education sector, wage rigidities encourage the good to look elsewhere for employment, and overpays the not-so-good teachers who are protected by the tenure system.

A third change which would encourage excellence would be to encourage more specialization in schools and universities. Duplication of activities means a thin spreading of resources and inadequate depth within courses offered. Encouraging

specialization either by schools in certain subject areas or Universities in particular fields can only serve to improve the quality of the students ultimately produced by the system.

A fourth and final means of encouraging excellence is to ensure that adequate returns are given to investment in human capital. Failure to do so can only result in a misallocation of resources and an imbalance between the supply of skills and the demand for skills. However, this statement relates only to skills that are in demand.

Without a doubt, achieving excellence under the guidelines outlined above bites into many important social and economic issues and implicitly questions many institutions and practices currently in place in Australia. Nonetheless, if we can achieve some progress towards encouraging excellence we are convinced the benefits will soon become apparent. Many of our current problems such as teacher shortages in certain fields, youth unemployment and lack of a spirit of innovation and initiative would soon be overcome. Right now we do not provide the right incentives for people who want to attain excellence. With enough conviction and determination we could overcome this deficiency.

VOUCHERS FOR SCHOOLS

While achieving excellence is a goal to be sought, we must ensure that it is being achieved efficiently and equitably.

By efficiently, we mean that it is being advowed in a way that best utilizes the scarce education resources. Utilizing market mechanisms is the only effective means of achieving this. We have already argued for the elimination of zoning, centralized bureaucracies, and rigid wage structures as a means to introducing greater competition and subsequent responsiveness and flexibility into the education system.

One further important step in increasing competition is to utilize the price mechanism. To some degree a form of pricing of education services already exist. Currently, if a parent of a school child sends their child to a state school, the government will give that school an increase in their per capita (or student) grant. The government provides a different grant if the student goes to a non-state school. What is in effect operating in the school system is a form of vouchers.

In its strictest form, a voucher system is one where each child is entitled to a voucher from the government which states that its owner can take it to whatever school he or she likes and that school can receive the value of that voucher from the government.

The current education system effectively pays one voucher to State schools for each enrolled student and a different (and lesser) amount to non-state schools. The parents of non-state school students must then in effect make up any difference between the two vouchers. Clearly this is inequitable. An unfortunate characteristic of the current education debate in the controversy over state-aid to private school is the misconception that the private school system is a wealthy system. Generally this is not the case. The private school system (as noted in the Strategic Issues Forum Taskforce Working Paper No 4) is dominated by the Catholic education system, which has class sizes larger on an average than state schools and facilities often inferior to those in state schools. Moreover, the people sending their children to such schools are clearly often not from higher socio-economic backgrounds. The current voucher system is therefore highly inequitable.

What the Strategic Issues Forum Taskforce suggests is that all schools attract the same value of voucher with some differences in the value of the voucher according to the stage the student is in the education process. The result would be a system which is more equitable.

An often quoted criticism of a voucher system is that it encourages the strong to get stronger and the weak to get weaker. However this belief is more an indictment of students parents than of the voucher system. The basic premise on which this belief is based is that active and concerned parents will take their children to good schools while unconcerned parents will give the voucher system only passing attention. Consequently the good schools will get better because they attract good students and good teachers and the bad schools will get worse.

There are two failings in this argument. Firstly, that apathetic parents remain apathetic regardless of the plight of their children, and secondly, that all teachers will evacuate the inferior school. While initially a crisis situation may develop, it is usually only a crisis that rids people of their apathy. In this sense, parents will need to be concerned and take an active interest in their child's schooling. Such a turn of events can only be for the better, not only for the students concerned, but for the society in the long run.

FEES FOR TERTIARY INSTITUTIONS

The public provision of education to all free of charge is reasonable if education is seen as a public good or merit good. This argument continues to justify free primary and secondary education. Here the objective should be to provide equality of opportunity (not output) for all students. The notion that a basic education should be free to all since it is compulsory and all participate (up to a certain age) is reasonable.

However, these arguments do not apply to Universities and hence the case for free post secondary education is not obvious. The choice to seek work or undertake further education is basically a private choice. A person's decision is essentially a discretionary investment or consumption decision. For some participants, the motive will be (in economists jargon) to

maximize the present value of his life-time earnings and hence, to maximize his lifetime welfare. The question then is whether the state should involve itself in this decision about the choice by providing free tertiary education?

On the side of free education is the view that some of the services an educated person provides are public goods, benefiting others as well as that particular person. Consequently the ability-to-pay criteria which might dictate that no fees should be charged could be given some credence. However, while it might dictate the case for some subsidizing of education services, this does not imply that they be totally free.

Some argue for free tertiary education on equity grounds but a simple perusal of the socio-economic status of tertiary students will reveal the fact that they are not from a cross section of the community. The lower socio-economic groups often cannot afford to support their children at school nor are their children always 'socialised' about the importance of such an education. Free tertiary education can then lead to an inequitable redistribution of resources between groups today and between (tertiary educated and non-tertiary educated) groups in the future.

Another possible argument for free tertiary education is that, since education is not properly rewarded in the market place, governments must subsidise students to ensure first, they make the right decisions and second, that many do participate in the tertiary education sector. However, this is a poor argument and one which treats a disease rather than the symptom. The symptoms in this case being wage rigidities and other constraints on the free operations of the labour market.

The Taskforce felt that the provision of tertiary education must be equitable and efficient. The only way of achieving this is for education to have a non-zero price and different education

streams, different prices. The state could however, provide subsidies in areas where it wishes to encourage increased participation.

The suggestion that fees be reintroduced often is associated with claims that the resulting system will be inequitable because only the rich will be able to afford to participate in such a system. This we suggest can be overcome by a combined system of means tested scholarships and loans.

The fees collected by universities would then be available to them and would not become part of government general revenue. This source of revenue could help Universities expand despite cut-backs in Federal grants. It is felt that full cost pricing of education is in the short term not feasible and that instead the government offer three (3) levels of grants to tertiary institutions. Capital Works grants, per capita student grants and grants to students in areas in which the government wishes to encourage increased participation.

The tenure systems for academics should be abolished and scope for negotiated salaries introduced. Increased funds for research activities in Universities should also be made available to attempt to give back to Universities a role long since lost as an important area for independent research.

The combination of reforms for the tertiary education outlined above are envisaged by the Strategic Issues Forum Taskforce as going a long way towards meeting the needs of the community and providing a more equitable and efficient system which responds and adapts to the changing demands placed upon it.

EDUCATION AS AN EXPORT

The growing number of foreign students participating in the education sector and the effect this has had on the available positions for local students has been the focus of much discussion in Australia in recent years. In 1984, two official reports reached different conclusions about how to address the role of foreign students in the Australian education system.

One (Golding Report) recommended restrictions on the number of foreign students and the other (Jackson Report), open entry with a full cost recovery through fees of the costs of training these individuals.

It was clear from the Strategic Issues Forum Taskforce "Education for Development" background paper that the growth in foreign students in recent years has been dramatic. This is due to policies of full-cost recovery in the countries where many of foreign students now undertake schooling and only partial cost recovery in Australia. Restricting the number of foreign students through a quota system flies in the face of what is advantageous for Australia's development. However, as Helen Hughes ("Education as an Export Industry", Development Studies Centre, Australian National University, mimeo January, 1985) recently noted, for Australia to fully benefit from the potential of this export growth sector, our system needs to become less rigid and more responsive to the market. This is not facilitated by our current academic tenure system and the attitudes of educational bureaucrats.

Simply, the "protected" class fear the free-trade alternative and hence stifle calls for change. The facts point the other way. They point to the advantages all Australia will gain if the system is freed up and its export earning potential reached.

The case for education as an export sector is clear cut as an economic issue - it is as a political issue that it needs to be made clear that everyone can gain and vested interests overcome.

EDUCATION AND RETRAINING

One of the failings of our current secondary education system is the implicit assumption that most students are seeking to go onto formal study. Consequently the education process was geared towards this end.

A turn around has come about in the recent past with more attention now to ensuring young people are better prepared for "life". However, the Strategic Issues Forum Taskforce stands against any attempt to water down the importance of the "3r's" or of the general standard of education. This educational process must emphasise the development of general skills. People will then be better able to adapt to the different requirements of the labour force.

One of our major problems today is that a large block of unemployed do not simply need to be retrained. On the contrary many do not have satisfactory foundations on which to build new skills. Australia's labour market would benefit highly from a labour force which is flexible and adaptable. In this sense we support the findings of the recent Kirby Report on the apprenticeship scheme, encouraging its gradual demise and replacement with something more flexible and appropriate to a market based economy. Flexibility and adaptability must be the key. Trainee wages should be more representative of their productivity and the educational content of their work.

EDUCATION AND BUSINESS

The business community has for far too long complained about the education system from the perspective of an outsider. It often complained that the education system provides a labour force that is sometimes unemployable, often inadequately trained, and frequently lacking, initiative and responsibility.

In other countries, the business community is organising to seek some influence over these outcomes. In the USA there is a growing "Adopt-A-School" program by the business community and in Europe, greater participation by the business community in all facets of the education process.

This is a positive course and the Strategic Issues Forum Taskforce takes the position that there should be a greater involvement in the education system in Australia by the business community. While it already does have some input into the tertiary education process through boards of tertiary institutions and work-experience programs at schools, this is only a start. We recommend that individual staff of firms should be encouraged to participate more directly in a program like the USA "Adopt-A-School" program. A programme paralleling the Business Awards for contribution to the Arts might be instituted (e.g., by the Schools Commission).

Being involved is the best means of working to remedy what one views as limitations of the system.

Consequently the Strategic Issues Forum Taskforce feels that the business community must become more vocal and demand a greater role in the education of what after all is their own children and of their own employees. Specifically, we recommend that the business community establish a task force to review business representation in the education policy making process at both state and federal levels.

We believe business people should be represented on all the Federal Commissions and on the various state panels.

We also believe the Senate Committee on Education should hold public hearings annually on Education estimates before the adoption of the budget and seek the views of business and other groups about current issues in education - particularly progress towards decentralisation.

We would also welcome Senate Committee scrutiny of Major Schools Commission and Tertiary Commission reports. By placing the views of the state and federal ministers and departments, commission members and advisors and other interests on the public record, the Senate Committee could play an important role in extending the debate in Australia. This is an essential step in opening up the policy making process. Current arrangements ensure the continuing dominance of teachers unions and education bureaucrats. Both these groups have a profound interest in the status quo. Widening the number of participants is an essential step in breaking the stranglehold of these latter groups.

Most challenges in the schools area arise at the State level. Here politicians need to match rhetoric supporting decentralisation and parental choice with convincing programmes to move power from the teachers unions and senior bureaucrats to local communities, schools, parents, students and other stakeholders.

OVERVIEW

There are two major themes to come out of the Strategic Issues Forum "Education for Development" Taskforce deliberations. First, the market process must be allowed to play a greater role in the education system. The whole sector must be de-regulated and appropriate incentives offered to students and teachers to achieve excellence.

Second, it is not enough to rely on politicians to translate the rhetoric of decentralisation into action. They have failed to match words and action in the past. Any credible programme of change needs to address this issue. There are powerful actors in the current system who possess privileged access to the policy planning machinery and who defend the status quo. Any plausible programme of change must show how the power of entrenched interest will be challenged, and hopefully, overcome.

The business community cannot expect this to occur without its direct involvement in support of likewise individuals and groups. It must get down from the fence and get to work supporting those who seek to improve the education system in Australia.