



14 May 2010

Review of Funding for Schooling
Secretariat
Location Code C16MT4
GPO Box 9880
CANBERRA ACT 2601
via Email: schoolsfundingreview@deewr.gov.au

Dear Sir/Madam,

Review of Funding for Schooling

We refer to the letter dated 16 April from the Deputy Secretary, Michelle Bruniges, inviting our submission to the draft Terms of Reference for this Review.

Christian Schools Australia (CSA) welcomes both the opportunities presented by the Review and the invitation to comment on the Discussion Paper and Terms of Reference. Our schools have greatly appreciated the role of the Australian Government in funding non-government schools over many decades and the relationships and understandings that this has fostered. The leadership taken in initiating this review encompassing funding from all government sources is particularly welcome and provides a unique opportunity to address some of the anomalies and inconsistencies across the various jurisdictions.

The statement in the *Message from the Minister* that the Review 'is not about taking money away from schools' and the similar sentiments in her earlier speech to the Sydney Institute are of considerable comfort to our member schools. Stability and certainty of funding arrangements is a critical issue for our schools and others in the non-government sector. The statement in relation to transitional arrangements, with its strong implication that a funding guarantee approach will supersede all funding maintenance, however, needs to be clarified. Some schools may genuinely be disadvantaged by such a move, based on their particular circumstances. An assurance of an appeals process, to ensure no school is unfairly disadvantaged by this approach, would help remove the element of uncertainty which these remarks have created.

Discussion Paper

It is not clear whether the current form of the Discussion Paper is merely preliminary or a final document. Nevertheless we believe that it is important to raise the following concerns in relation to the document as it stands.

As a general observation, it is disappointing that the role and contribution of non-government schools and their parent communities are not given adequate recognition in the document. These schools make a valuable contribution to achieving the national goals of schooling. CSA member schools serve the public interest as community-based non-profit organisations fully accountable both to their own communities and to government.

If the Government's stated objectives of bringing transparency and clarity to this debate and avoiding ideologies and divisiveness are to be achieved it is important that the facts are presented clearly and in comparable terms.

Comment on a few specific examples is shown below.

Introduction

The participation of non-government schools and their communities in both resourcing and working to achieve the National Goals of schooling ought to be recognised. This would celebrate strength of the system: that is the partnerships between governments and the community sector in providing educational services in the public interest.

Current Situation for Funding (page 8)

The section is incomplete in that it does not recognise the substantial investment of individuals, churches and others in the education of Australian children.

The funding provided by personal and community sources (wrongly labelled 'private' in the public debate) is a significant part of Australia's funding mix. The failure to adequately recognise this distorts the depiction of the true national investment in education.

The second paragraph of this section contains a subtlety which, unless corrected, may serve unwittingly to distort the debate: (emphasis added)

*'Nationally in 2007-08, state and territory governments provided 91.4 per cent of **funding** to government schools and the Australian Government contributed 8.6 per cent. Conversely, the Australian Government provided 72.1 per cent of **total government funding** to non-government schools, with the states and territories providing 27.9 per cent. It is important to note that funding arrangements, including the methodology for allocating funding, differ between states.'*

The distinction between 'funding' (as it relates to government schools) and 'total government funding' (as it relates to non-government schools) is likely to be lost on all but those directly involved. This wording may lead to the impression that the relative percentages reflect the respective *shares of total funding*, and that 100% of non-government school costs are met from public funding. In fact, personal and community sources fund more than one third of these costs.

While the diagram on page 14 is concerned with the flow of government funds, once again it may lead a casual observer to inaccurate conclusions, based on a side-by-side comparison with the state school diagram on page 11. It would be helpful to annotate page 14 to somehow reflect the relative proportion of government and personal/community funding (on average per capita), or to provide an additional diagram.

Additionally, it would aid the understanding of the funding mix if the paragraphs on capital funding acknowledged the proportion of capital works funded by personal and community sources. Once again this investment has been a critical component of building Australia's current school education capacity, and a full understanding will assist the review.

Students with particular needs (page 15)

The discussion focuses almost exclusively on the role and commitments of the Australian and state and territory governments. This is not an adequate representation of the commitment or investment of non-government schools in achieving goals for these students. For context, mention should be made of the legal obligations on non-government schools under the *Disability Discrimination Act 1992 (Cth)* and associated *Educational Standards*, together with the strong commitment of non-government school communities to meeting the needs of those most vulnerable in our society.

The section deals inadequately with the issue of funding for students with disabilities. Acknowledging that a "lack of common definitions" is one issue, it is by no means the only issue. There is no mention at all of the structural issues which cause a disparity in funding support between sectors, and we consider this to be a significant omission.

The contribution parents and families make towards the cost of schooling

The uneven way the information is presented here is a flaw in this document. Both dollar amounts and percentages should be included to allow a proper comparison to be made.

Entirely missing from the document is recognition of the financial contribution of community sector organisations such as churches. Not only do these represent substantial investments towards a public good – namely school education – but issues around the public/community sector mix will undoubtedly come before the Review and should be anticipated here.

Questions about school funding

In general the focus of this section reflects a government school paradigm, which is disappointing given its stated aim of providing questions which are "deliberately broad to encourage discussion".

The value of local autonomy and community partnership in education initiatives, demonstrated most recently in relation to the BER program, is an obvious omission. The experiences and approaches of non-government providers could provide models for greater innovation and achievement in government schools. The value of seeking best practice approaches from all sectors should be emphasised to inform the debate.

We are concerned about the characterisation of the Average Government School Recurrent Costs (AGSRC) in the Discussion Paper. Previous studies have clearly indicated the deficiencies of the AGSRC as a proxy for the actual costs of education in a government school. The 2009 figures for primary and secondary AGSRC (\$8,380 and \$10,646) fall well short of the government expenditure per FTE student during 2007-08 identified by the Productivity Commission of \$12,639. While we can accept the movement in the calculated AGSRC as a form of indexation measure, it must be made clear in the Discussion Paper that it does *not* represent the full cost of education in a government school. This is essential if the Paper is to provide meaningful background information for the Review.

Comment on the Draft Terms of Reference

Suggested Review Scope

CSA strongly supports measures to improve educational outcomes for students suffering disadvantage in its many forms. This is reflected in the composition of our school communities, many of which have a particular 'missional' focus towards the marginalised and disadvantaged. Accordingly we support the guiding principle for the Review that the resultant funding system will:

'support schools to raise the educational standards of all school students whilst reducing achievement gaps between students.'

However care needs to be taken to ensure that attempts to reduce achievement gaps do not result in the lowering of standards at the higher end of the attainment scale. Although we do not believe that the intention of this government is to limit or constrain educational outcomes it may be helpful to expand or clarify this statement to ensure that this is beyond doubt.

The importance of the principles of simplicity, flexibility, stability, equity, value for money, transparency and best practice are clearly highlighted, and this is welcome. We share a desire for these attributes to be present in a funding model based on our understanding of these terms. We suggest, however, that clear understandings should be developed about the meaning of these in the context of the review, to ensure that all stakeholders and contributors to the Review are clear about the meanings being attributed to these phrases.

We would suggest however that further principles should be added to this list.

Additional principle: choice and diversity

CSA believes that any new model for school funding should *foster choice and diversity*.

The right of parents to choose the type of education provided to their children is a long established principle and is fundamental to an effective funding model.

Government funding plays a large role in ensuring how widely available is that choice among working families. The review is, by the Deputy Prime Minister's statement, not to be dominated by ideology. The inclusion of choice as a guiding principle of a funding model is consistent with this objective.

Similarly any funding model should *foster and encourage autonomy, and protect the ethos and values appropriate to school communities*.

Additions to the Terms of Reference

CSA appreciates the broad scope of the review and looks forward to playing an active part in the on-going consultations regarding these important issues. Three areas, however, seem to have been omitted from consideration.

Mechanism

The first is the mechanism for the delivery of funding. We would suggest that the Review also consider *'what funding mechanisms and infrastructure provide the greatest efficiency in program delivery'*.

New schools

The second relates to the particular needs of new schools. Given the likely growth of demand and especially the need for new non-government schools we encourage consideration by the Review of *'what additional funding or support, both recurrent and capital, may be necessary for the establishment of new schools'*.

Distance education

Finally we note the review scope does not include a reference to Distance Education. This oversight could be remedied with the inclusion of a Term such as to consider: *'what funding support is appropriate for alternative delivery methods including on-line learning and distance education'*.

Further considerations

Standards

Of the areas already identified in the *Draft Terms of Reference* we consider that in considering *'the cost of educating a student to world class educational standards'* explicit reference should be made to the achievement of the full scope of the *Melbourne Declaration on Educational Goals for Young Australians*.

Enrolment trends

We are encouraged that the review may consider *'the likely growth of demand and student need'* but would prefer that this was characterised as an essential element of the Review process.

Once again this Review offers a unique opportunity to focus on the future funding needs of the whole education sector in Australia and break away from *'a schools funding system that is largely the product of historical circumstances'*.

If this opportunity is to be grasped then the Review must consider current and anticipated enrolment trends and their impact upon funding needs.

Conversely we question the importance of too great an emphasis on overseas funding models. For whatever reasons and without wanting to be constrained by history, Australia has a relatively unique education system that is capable of world class outcomes.

The variety of structures and mechanisms in place overseas, while of some comparative value, need to be considered and evaluated through the Australian experience.

If you have any questions in relation to these matters please do not hesitate to contact me, sodoherty@csa.edu.au, or our Executive Officer, National Policy, Mark Spencer mspencer@csa.edu.au (ph 02 6257 7989).

We trust that these comments are helpful and look forward to ongoing discussions through the course of the Review.

Yours faithfully,

Stephen O'Doherty
Chief Executive Officer