



CATHOLIC EDUCATION

OFFICE OF WESTERN AUSTRALIA

20 June 2013

DIRECTOR OF CATHOLIC EDUCATION

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

Australian Education Bill 2013 (as amended)
Australian Education (Consequential and Transitional Provisions) Bill 2013

The Catholic Education Office of Western Australia (CEOWA) welcomes the opportunity to make a submission to this Inquiry.

Introduction

Catholic Education in Western Australia comprises 159 schools enrolling approximately 70,000 students and employing 10,000 staff. As approximately 75% of the income available for running Catholic schools comes from public funding, the implications of a revised funding model are significant.

Comments

The following issues are of concern to CEOWA and the parents of children in Catholic schools –

Principles underpinning the model

The proposed model falls well short of the currently accepted standard for a funding model. Whilst it is acknowledged that the current SES based funding regime is not perfect, the principles underpinning it as provided in *Schools Funding – SES Simulation Report: A report by the Steering Committee.....(DEEWR 1998)* are an appropriate litmus test. The proposed funding regime set out in the respective Bills falls well short of the principles outlined below –

- **Simplicity:** A funding mechanism should be as **simple as possible while still retaining its validity** and capacity to differentiate between the relative needs of schools.

The transition arrangements are highly complex and opaque and make it impossible at this stage for Catholic schools to understand the implications for their schools.

- **Equity:** *Resources should be distributed in a fair and consistent way that does not restrict choice.*

The Capacity to Contribute settings in the legislation will impact fee levels in Catholic schools and consequently parental choice. The expected fees for primary schools are much higher than existing levels. Whilst Catholic schools are not obligated to set school fees at the expected level this comes at the cost of operating below the new minimum standard (SRS) which the public discourse has claimed that “all schools will reach”. Implementation of the fee levels at an individual school level as proposed would have serious consequences for the level of fees paid by parents. Finally, the expectation that even the most disadvantaged communities in terms of socio-economic status (SES) are able to collect approximately \$900 per student (10% of SRS) is far removed from reality.

The methodology for calculating the Schooling Resource Standard does not adequately recognise the cost of providing schooling in a state as geographically diverse as Western Australia. Inclusion of a state loading as per the initial iterations of the funding model and most recently offered by the Prime Minister need to become a permanent feature of the funding model.

The Bill acknowledges the current flaws in regard to assumed fee income for schools by proposing a review of the Capacity to Contribute settings in 2015. Legislating a model that is known to be flawed and requiring review places political expediency ahead of sound policy and governance.

- **Transparency:** *Funding is best based on **independently formulated and reliable indicators**. The way a funding system works should be **clearly and easily understood** and relationships between data and indicators within the funding mechanism should be obvious. The **integrity of data** and indicators is of paramount importance, and **opportunities to manipulate data should not exist**.*

A number of loadings are determined utilising ‘proxy’ measures which are poorly identifying educationally disadvantaged students. Further, the poor quality of data is an issue – Socio Educational Advantage (SEA) data derived at a school level is not accurate, stable or predictable. It is not independently formulated and is able to be manipulated at a school level thus seriously weakening the integrity of the model.

- **Predictability:** *Schools need a high degree of certainty about future funding, for planning and management decisions.*

Whilst the funding model purports to provide additional funding to Catholic schools in Western Australia no information on a per school basis has been provided to verify the claims. With the bulk of proposed funding gains beyond the accepted budget forward projections period, the likelihood of funding increases is questionable.

- **Flexibility:** *Flexibility is desirable to allow timely responses to changed circumstances.*

There is a significant mismatch between the school/system autonomy espoused in the legislation versus the powers vested in the Commonwealth Minister and the level of prescription for implementation plans and school improvement plans. The level of

bureaucracy that will be required of schools and systems and government to comply with the Bill and Regulations will be significant. These have not been costed against the proposed funding gains accruing to schools and systems.

No school loses a dollar – inconsistent treatment of independent and Systemic schools

It needs to be understood by the Committee that for school Systems the “no school loses a dollar” commitment is actually “no system loses a dollar”. This is different to the arrangements for non-systemic (Independent) schools, where “no school loses a dollar” is calculated at an individual school level. The claims which have and continue to be a cornerstone of the Australian Government’s pitch are simply not correct for all schools.

For the Catholic System in Western Australia there is great diversity in outcomes of the funding model at an individual school level. Funding gains are anticipated for remote indigenous schools and lower SES schools whilst funding losses are anticipated for many metropolitan schools. Funding gains by individual schools will be offset against funding losses for others. A calculation of net loss or gain is then applied. The provision of an increasingly larger proportion of system funding in the form of loadings targeted for specific students (eg. Students with disabilities, remote schools and aboriginal students) is supported however it also creates funding volatility. For a system to maintain consistency with the identified loadings increased funding should be provided to the schools with characteristics identified above. This means that ensuring no school loses a dollar is simply not possible.

If the “no school loses a dollar” is indeed a cornerstone of the transition arrangements then it should be applied consistently for all schools and thus be calculated at an individual school level for both Systemic and Independent schools.

Conclusion

There are many aspects of the proposed legislation that are philosophically supported by CEOWA. The specifics of the funding model, the transition arrangements and the level of federal prescription unfortunately compromise the original intentions of the Gonski Review. These things can and need to be fixed prior to legislation be handed down. It simply requires more time and better consultation.

A sound policy and legislative regime would not force these Bills through parliament without first correcting the obvious flaws and a proper discourse with those required to implement the legislation. We are legislating for enduring change and improvement in our schools and impacting the lives of millions of young Australians. They deserve their parliamentary representatives to reject the Bills until they have been appropriately amended.

Yours sincerely

Dr Tim McDonald