

21 June 2013

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

Dear Mr Watling,

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

The National Catholic Education Commission (NCEC) welcomes the opportunity to make a submission to this Inquiry.

NCEC was established in 1974 to advise the Australian Catholic Bishops Conference on matters of national school education policy, to represent the interests of Australia's Catholic schools to the Australian Government, and to contribute to the national debate on Australian schooling provision, organisation and achievements.

Introduction

1. There are 735,400 students (20% of all Australian students) enrolled in Australia's 1,706 Catholic schools which employ 85,300 staff. The net recurrent income per student for 2011 in Catholic schools, from a combination of government grants, school fees and other private income, was \$11,079.
2. Catholic schools are strong contributors to higher quality and broader equity outcomes for students. Australian Council for Educational Research (ACER) international data reported in 2010 from the 2009 Program for International Student Assessment (PISA) for reading literacy, for example, shows the Australian Catholic school student cohort (after removing socio-economic status bias in the samples) achieving higher quality and equity outcomes than the total Australian student cohort.

3. Catholic schools make a significant contribution to Australian society. They embody effective governance models, and pursue the highest ideals in curriculum, pedagogy and pastoral care to promote the best outcomes for students and their families.
4. Catholic schools, because of their geographic and socio-economic spread are widely accessible to Australian families and represent excellent value for money for Australian taxpayers. Catholic system funding policies direct the resources provided to Catholic systems by governments to the schools and to the students where they are most needed.
5. NCEC regrets that the Bill, with its significant additional detail and complexity, is not being allowed proper time for parliamentary and public scrutiny. This is unfortunate, given the far-reaching, long-term implications of the Bill for the resourcing of Catholic schools and for the reform of schooling generally.

The Bills

6. Complexity and lack of transparency
In NCEC's view, the main Bill and its transitional provisions 2014 to 2019 is overly complex and lack transparency. The Bill introduces a school funding system that will potentially be different in each participating and non-participating state, rather than a "national" model. It has various levels of indexation operating in any one year for different tranches of funding. Major funding model settings change each year.
7. An untested funding model enshrined in the Bill will require regular amendment
NCEC is concerned that the Bill's complexity will create an unwieldy implementation and administrative operational environment. Too much detail (for example, the funding formulae) will be enshrined in the legislation rather than contained more usefully in the regulations. In its present form, the proposed Act runs the risk of being subject to continuous and frequent amendment. This will lessen its capacity to deliver the Government's policy objectives as well as increase respondent burden for Catholic school authorities.

Not only may the interaction of the various untested parts of the proposed funding model produce unintended policy outcomes, but the model is also incomplete in its present form. Several of the loadings are still a work in progress (for example, English Language Proficiency; Students with Disability). The Government has itself already committed to a review of the funding model in 2016. Indexation will be reviewed in 2015.

8. The powers vested in the Commonwealth Minister vs autonomy for schools and school systems
NCEC believes there is a policy incompatibility between the Government's strong endorsement in the Bill of increased subsidiarity, autonomy and devolution, and the power of the Commonwealth Minister and her/his officials to intervene more literally and directly into the work of individual approved authorities and schools to change their decisions.

Discussions with DEEWR on the text of the regulations has resulted in an assurance from the Minister that the Minister's capacity to intervene will be limited to the context of the Memorandum of Understanding signed with each Catholic school authority (the Minister's letter to the NCEC Chair, 6 June 2013). The Minister has also agreed that policy changes to the schooling reform agenda will only be made after consultation with the Ministerial Standing Council (SCSEEC).

The intent of section 105 of the Bill is nevertheless clear: the Minister may give an approved authority a specific direction to alter an aspect of its Implementation Plan.

NCEC's particular concern turns here on the continuing use of properly developed local need-based funding methodologies by Catholic school system authorities. Catholic systems have considerable experience in developing, in consultation with system schools, effective needs-based funding allocation arrangements. The Bill, however, has a unitary, formulaic approach to funding at school level. The DEEWR submission to the House of Representatives Inquiry in the *Transitional Provisions Bill* (14 June 2013) neatly reflects this dilemma.

“Approved authorities...that currently are approved systems...must distribute all financial assistance received...in accordance with a needs based funding arrangement that complies with any requirements prescribed by the regulations” (paragraph 2.52).

However paragraph 2.57 adopts a more realistic tone.

“[F]or approved system authorities there is no requirement to distribute the funds exactly as allocated to schools by the model, but the authority must distribute in a way that is transparent and consistent with the principles of the SRS funding model...”

NCEC asks that the regulations clearly endorse the capacity of Catholic systems to allocate funding based on their local needs-based funding methodology.

9. Respondent burden

The Bill creates a regulatory environment that will potentially be burdensome to schools, especially if there is increased central prescription.

10. Implementation Plans

The requirement for Catholic systems to have Implementation Plans finalised and approved by 1 January 2014 is unrealistic.

Conclusion

11. NCEC's own modelling, completed on the basis of the settings and data supplied by the Government, indicates at this point that there is a modest increase in the funding provided to Catholic schools under the new model from 1 January 2014.

12. The overall quantum of funds to be provided by governments, however, is far short of *The Review of Funding for Schooling Report* recommendations. NCEC also notes that the bulk of the promised funding will not be available until the 2018 and 2019 school years.
13. NCEC confirms its commitment to work with the Commonwealth Government to achieve the best possible outcomes for the proposed schooling reform agenda, and offers this commentary in that spirit.

Yours sincerely

Mrs Therese Temby
Chair