



in reply please quote:

8 March 2013

Mr Tim Watling
Committee Secretary
Senate Standing Committee on Education, Employment and Workplace Relations
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Mr Watling

RE: Australian Education Bill 2012

Thank you for the opportunity to provide further information to the Senate Standing Committee on Education, Employment and Workplace Relations.

Senator McKenzie's questions on notice provide an opportunity to elaborate on the potential impact of the *Australian Education Bill 2012*, from a Victorian Catholic schools perspective.

Funding certainty

The Catholic sector has maintained a consistent set of principles on funding throughout the funding review:

1. That there should be additional funding to close the gap in funding between Catholic schools and Government schools.
2. That indexation needs to keep pace with the change in the real cost of education in government schools.
3. That students with disabilities and other special needs are funded equally, regardless of the school they attend.

The *Australian Education Bill 2012* only provides limited details about the Australian Government's proposed funding model in Section 9. Section 9 indicates that if state and/or non-government systems (including the Catholic sector) and individual schools do not agree to the Australian Government's funding methodology, they will not receive any additional funding.

As the Bill is currently drafted, there is no funding certainty for Catholic schools beyond the end of this year. Obviously, this is still subject to negotiations between the Catholic school sector and the Australian Government. However, the Australian Government is yet to finalise its own modelling of its own proposed model.

The Catholic sector can only continue to speculate about the model's outcomes, based on the information to which it has access. Coupled with the confidentiality attached to bilateral negotiations with the Australian Government, this speculation heightens the uncertainty for Catholic schools.

As indicated at the Standing Committee Hearing on 1 March 2013, the ability for the Catholic sector to share information about the funding model is limited by the confidentiality agreement currently in place. However, the modelling work undertaken by the Catholic sector (based on a modelling tool provided by the government), provides sixteen separate scenarios that show that nationally, Catholic funding will either not change, or may increase by up to 10 per cent. This hides large losses in individual schools and across separate dioceses across the country.

Catholic schools traditionally have lower fee rates to ensure that families wishing to access a Catholic education for their children, are able to do so. The average fee for Catholic primary schools in Victoria is around the \$800 mark.

Catholic schools also provide family fees, which reduce the fee paid by families with multiple children attending the same Catholic school. The family fee acknowledges the pressure that fees can have on families, and provides the opportunity for families to choose a Catholic education for their children, who might not ordinarily be able to afford it.

Under the Gonski proposals, the minimum fee for recurrent purposes expected under the Student Resource Standard (SRS) is about 10 per cent for low-SES schools. For high-SES schools this expectation reaches 80 per cent. The Gonski report suggested that the SRS for primary schools was \$8000.

According to the Catholic sector's modelling, around half of the Catholic schools would have to raise fees to meet both the Australian Government's capacity to pay fee expectations, and any shortfalls in funding, due to changes in the funding model. These fees may need to rise in excess of 200-300 per cent in many Victorian Catholic primary schools if the model is applied directly.

The Australian Government's proposals also suggest that Catholic schools may need to abolish family fees in order to meet the SRS. This will impact on both the ability, and the right, for parents to choose a Catholic education for their children.

Consultation and negotiation process

The *Australian Education Bill 2012* has not recognised the right for parents to choose the type of education they want for their child. This also critically impacts on the treatment of systems in the Bill. This lack of recognition contrasts with other state education actions, such as the *Victorian Education and Training Reform Act 2006* which explicitly recognises the value of choice for parents.

While the Gonski Report promoted the value of school systems as partners in education with governments, the Bill is essentially silent about the contribution made by Catholic education systems. The Victorian Catholic system is the sixth-largest school system in the country. Nearly 25 per cent of students in Victoria are educated in a Catholic school, with enrolments rising annually.

While the Australian Government seemingly recognised the importance of the Catholic school system on entering into bilateral negotiations in September last year, it has become evident that the negotiating process has not been set up to solve problems with the funding model in a progressive manner.

Parameters of the government's proposed funding model have varied throughout the course of negotiations, with the Catholic sector confronted with different iterations of the same problems during each negotiation session.

If outstanding issues cannot be resolved, there is a likelihood that many Catholic school students will end up in government schools as a result of the fee increases that will result. That will cost the state and federal government's more, and place further burdens on teachers in the government system, which, if the AEU is correct, are already struggling.

Bilateral negotiations with the Australian Government need to advance if we are to come to a meaningful conclusion for our schools.

Impact of the Australian Government's funding model

The modelling undertaken by the Catholic sector generally reveals that Catholic schools will either lose funding or make small gains in some dioceses. This is despite the Australian Government's proposal that in excess of \$6bn in additional government funding be allocated towards the new funding model.

School fees are likely to rise in all three types of schools:

- i. School fees may need to rise in excess of 200-300 per cent in many Victorian Catholic primary schools.
- ii. Catholic secondary and combined schools are likely to see increases in fees in the order of 10-20 per cent.

These increases are not fixed amounts, but as mentioned earlier in this response, may be necessary to meet the Australian Government's proposed SRS funding level and potentially reduced government funding.

It should also be noted that there are still questions about how systems might continue to redistribute funding according to community need with the new constraints placed on funding through the new model. A significant portion of funding is calculated according to measures of need under the model. This may have the unintended consequence of restricting systems and schools in meeting the needs of students.

Of the 16 modelled scenarios, there are vast variances in funding for metropolitan and country areas. Generally, larger metropolitan dioceses see losses, or only very small increases in funding, while Catholic country dioceses either make modest gains, or substantial losses.

Critically, the results show that the Australian Government's proposed funding model which is supposed to address equity, results in 25 per cent of low-SES Catholic schools losing funding.

This is coupled with the lack of details on students with disabilities and other special needs. After early announcements that the government would provide equal funding to students with disability and other special needs, neither bilateral negotiations, nor the contents of the Bill have resulted in any clear indication as to how this will be achieved.

Ultimately, losses faced by the Catholic sector may be a moot point. As mentioned previously in this response, the Bill has been drafted in such a way that if state governments and non-government systems do not agree to the Australian Government's funding methodology, they will not receive any potential additional funding.

The Australian Government has also indicated that it intends on rolling existing funding into this new model. This includes targeted programs and possibly other payments through programs like National Partnerships. The rollover of funding, additional funding, and elements of the current SES funding model will cease to exist, leading to an overall reduced amount of government funding.

Capital Funding

Contrary to the recommendations of the Gonski Review, there is no reference to capital funding in the *Australian Education Bill 2012*. Bilateral negotiations between the Australian Government and the Catholic sector have also failed to resolve the issue.

Unfortunately, if capital funding is not considered in either the negotiation or the Bill, there are significant risks to both the future growth of Catholic schools and the continued ability for some Catholic schools to continue to operate.

Lack of capital funding will result in schools falling apart because of failed maintenance of school sites, reduced enrolments due to higher fees, or lack of funding resulting from an indexation rate that cannot reflect a real change in the costs of educating a student. There will be no option but for these schools to close.

National Plan for School Improvement

The Australian Government's focus on the National Plan for School Improvement (NPSI) as, highlighted by the *Australian Education Bill 2012*, has moved the recent debate about school funding, to being one about increased school red-tape and regulation.

The NPSI proposes transparency and accountability measures that are already employed by states and school systems in various forms. Catholic schools in Victoria, and across the country already, utilise comprehensive school improvement plans. These are known to be successful because of the results many of our students achieve, and are available to school communities for comment.

There has been no evidence provided as to why these should be standardised.

There are also some concerns about how the NPSI will be employed. At this stage, the Australian Government has introduced new elements to the NPSI, National Curriculum and funding arrangements without consultation with states and school systems. These include:

- References to Asia in the NPSI (learning Asian languages), which were also added to this Bill.
- The federal Minister for Education's statements about funding for computers post-DER being covered in the new funding model has not been discussed.
- There are also real risks that the National Curriculum could be added to as another means to limit flexibility in schools. The Minister for Education has also announced the swimming would be part of the Australian Curriculum, which was decided without consultation.

Without specific details as to how the NPSI will actually apply to Catholic schools, it is impossible to judge the impact that it will have on schools, suffice to say, it will very likely increase the reporting burden of principals and teachers.

I hope that this response provides enough detail for the questions presented. If I can be of any further assistance, please do not hesitate to contact me.

Yours sincerely


Stephen Elder
EXECUTIVE DIRECTOR