



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

Submission by
The Australian Association of Christian Schools Limited.
to
**Senate Standing Committee on Education and Employment
and Workplace Relations**

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INTRODUCTION

The Australian Association of Christian Schools represents more than 120 schools and more than 52,000 students across Australia. Our schools are located in every state and territory and range from very small to very large; from urban to regional, remote and very remote. They include several indigenous schools in remote Australia. Our schools are almost all low-fee or no-fee (only the indigenous members) schools with our highest schools' (very few of them) first child fees only in the mid-range of all independent non-government schools.

Thank you for the opportunity to make this submission.

CONTEXT FOR THIS SUBMISSION

Please note that AACS made a significant submission to the original House of Representatives inquiry into the Australian Education Act 2012 on 8 February, 2013.

While supportive in-principle of the Government's reform aspirations at that time, we did express caution given the absence of data on which to base any considered assessment. I quote:

'AACS is supportive *in-principle* of the Government's desire in this reform package to link *a* proposed funding model with *a* proposed National School Improvement Plan (NSIP). However, that said, there is precious little detail at this stage on which we can commit any further. As there is almost no data available for our schools to test the specific impact of any proposals re a new funding model, AACS schools will not commit to any new Funding Agreement until that situation is remedied. **We must have hard data now in order to commit to new Funding Agreements by the end of 2014.** Anything less would be an unreasonable expectation and a breach of normal standards for developing contractual agreements.

In respect of the NSIP, there must also be very specific detail available well in advance of the posting of Funding Agreements re the conditions that will attach to the receipt of federal government funding. AACS believes that this must also be the subject of wide, inclusive consultations involving **all peak bodies in the non-government sector**. AACS schools would not support a list of funding conditions/ requirements that created an uncertain or unknown future, narrowed prescriptive curricula, narrowed prescriptive pedagogies, compromised freedoms of religion and belief, or politically-motivated restrictions. Of enormous importance to our schools is the freedom we currently enjoy under the spirit and letter of Australia's formal commitment to the International Covenant on Civil and Political Rights and other Covenants impacting school education. **Choice in schooling** must not be compromised by stealth nor should the right of schools to craft distinctive approaches to schooling that give Australian parents *legitimate choice* be undermined.'

Since that time, AACS (and all other peak bodies in the independent non-government school sector other than ISCA) have been cut out of discussions and consultation processes by the confidentiality agreement that was demanded from ISCA on the assumption that ISCA was a legitimate representative of independent non-government schools – an assumption that is totally invalid. **ISCA has no authority to negotiate or agree to anything on behalf of individual schools or systems in the independent school sector.** It is our understanding that ISCA has made that point clear to the government.

In what can only be described as a totally unsatisfactory, non-transparent and secretive process, decisions have been made that have huge financial and operational implications for our schools – many of which are not at all favourable to our schools.

As a consequence of this extremely complicated and now hurried end game that has become increasingly politicised, AACCS has lost confidence in the government's response and, more recently, in the legislation. Our ongoing concerns are outlined below:

1. The treatment of the independent non-government school sector

The presumption in the Act that all non-government schools will be 'participating schools' without formal school- or system-specific funding agreements and without and direct consultation is a dangerous precedent. It gives the government of the day the freedom to obligate non-government schools to unspecified costs on the presumption that they will always have funds available to cover those costs. On our analysis of recent provisional modelling data and the conditions of funding that will be imposed under the NPSI, it is certainly unlikely that all our schools will be able to cover all the requirements and expectations of the federal government. Under the 57 required actions of the new NPSI arrangements, schools will have to incur a number of very significant costs over and above those they currently incur for the operation of their schools. We estimate that the average school of 300+ students would need to be at least \$100,000 ahead on the most recent (provisional) Gonski modelling data in order for those schools not to become financially worse off. For larger schools, this figure could be considerably greater. It is our assessment that, *if the 57 requirements of the NPSI are enforced*, some of our schools may be forced to close. To date, we have had no information on how the government intends to enforce the NPSI conditions. This is entirely unsatisfactory.

2. The impact of the very late notice to schools of the implications of the new funding model

The notice being given to schools to enable them to undertake their financial and administrative planning and to enable them to give adequate notice to parents re 2014 fees; to honour terms of contractual agreements with staff; to exercise due diligence in relation to loan conditions, etc. is seriously inadequate in the case of the non-government schools sector. This type of planning that needs to be undertaken in non-government schools prior to notifications to parents and staff requires substantial lead time. For schools that have little or no surplus to cover unforeseen circumstances (ie a new set of rules), there is a genuine risk that some may face closure.

3. The complexity of the proposed new funding model

This is an extraordinarily complex funding model, the complexity of which has been compounded by constantly changing figures, scales and announcements. The model has been very poorly explained and, as yet, schools have not been able to do their own due diligence testing. To make matters worse, schools will be locked in by this imminent legislation without any knowledge of what the real implications will be. It is an appalling presumption on the many small and vulnerable schools in the independent schools sector, many of which I represent.

4. The rigidity of the funding formula

It is our understanding from a very brief (undocumented) presentation from DEEWR that a number of figures in the funding model have been 'locked in' permanently. It is also our understanding that at least some of these figures are based on 'estimates' from state treasuries. To be using anything other than deeply tested and verified data is simply unacceptable. AACCS believes that there must be an ongoing capacity for corrections and adjustments to be made to the formulae that go to make up the overall funding model if schools are going to receive the promised sector-blind, equitable funding that has been part of the government's rhetoric.

5. The transitional arrangements are a breach of the original undertaking

Promises made in the not too distant past indicated that the funding would be released in approximately six equal stages over six years of transition from the existing to the new model. With National Partnerships and Targeted Programs being collapsed in order for the new model to be funded, many schools have no way of knowing whether they will actually lose funding in the first two or three years once the conditions of the NPSI are applied.

6. Indexation arrangements are based on untested assumptions

The indexation arrangements are very complex and, once again, are lacking in transparency. While the concept of fixed rates of indexation may appear to be an improvement on the past, they come with a considerable risk that may not be reflective of the way things will work out over time. Once again, the indexation rates are based on estimates and assumptions – a seriously flawed foundation for a model that makes such sweeping assertions regarding fairness, equity, stability and simplicity.

7. Ministerial transitional powers are a dangerous precedent

We note with great concern that the complexity of the model is so great that the Minister will be given initial transitional powers to determine funding amounts for schools entitled to additional funding under the model. This is an extraordinary but dangerous acknowledgement of a funding system that is already too big to be prudently managed.

8. The unreliability of the data on which the modelling has been based

This funding model is dependent on a significant body of data from ACARA that is, to say the least, unsafe. For many months there have been debates in the public arena about the veracity and reliability of the financial and demographic data on the MySchool website. The reality is that the figures on MySchool are only as reliable as the methodology by which they have been collected and are being used for comparisons. They simply do not compare ‘eggs with eggs’ and are certainly not a sound basis for fixing the funding model for years to come. While the evidence is only anecdotal, we are aware that many schools are not satisfied with the reliability of their data as used in the Gonski modelling.

9. Inequity and lack of transparency between states and territories

It remains a great concern to AACS that the deals behind closed doors between the Commonwealth Government and the States creates the basis for immediate inequities between states and between sectors right from the start of this new model. This is not a good foundation for a model that was heralded as a solution to these very same problems. Where is the even playing field that was promised? The reality appears to be that all schools in all sectors will not be ‘funded the same’ as promised by the Minister and Prime Minister.

10. Transition arrangements for non-government schools in non-participating states

AACS is very concerned that the transition rates for non-government schools in non-participating states is not yet determined, yet this legislation may well be passed before it is determined. This is most unsatisfactory.

11. Heavy impost on schools to collect additional data

AACS remains opposed to the significantly higher burden on schools for collecting and reporting data. While we have absolutely no problem about our schools being an open book for appropriate audits by government officials, we remain convinced that much of the data collection that is proposed under the new NPSI funding conditions will ultimately contribute very little (if at all) to the

advancement of quality teaching and school leadership. The evidence is already strong that 'quality teaching' must be the main game for the future. That seems to be a universal given. Research and overseas experience suggests that an obsession with data collection does little or nothing to improve schools.

12. The model as a whole offers absolutely no guarantees

This legislative package offers no guarantee that the aspirations and claims presented as a part of the package will eventuate. AACS believes very strongly that there are gaping holes in the package that leave open the possibility that the historic sector-comparisons and resentments will continue in what is a very jaundiced, union-centric outcome. In addition, AACS cannot see how the extremely wasteful and expensive state government bureaucracies will be made more accountable for their inefficiencies and unproductive interference in school-based decision-making. We believe that the research provided by Professor Scott Prasser and Dr Ben Jensen has much to commend it.

13. Confusion around the operation of the new model

There continues to be a great deal of confusion around the way the new model will actually operate. For such a complex and opaque model to be so confusing and inaccessible at this late stage in the timetable is plainly unacceptable.

Notwithstanding these serious concerns and our very strong caution about the political aspirations on which the whole model is founded, AACS remains committed to working towards fair outcomes as, if the model is implemented, we see definite benefits arising from the structure originally foreshadowed by David Gonski's Report. While there is still a long way to go to settle several of the loadings, we believe that the loadings are well-conceived and certainly justified. They potentially constitute a much better outcome for disadvantaged students in all schools than under the previous funding arrangements.

We are pleased to hear that DEEWR is embarking on a 'data cleansing' exercise, reportedly in time for the final calculations for next year's funding. While this constitutes a move in the right direction, again it is less than transparent.

While AACS understands that the Australian Education (Consequential and Transitional Provisions) Bill 2013 is ultimately a necessary legislative instrument to enable the implementation of the Australian Education Bill 2013 and the rollout of the new funding model, we remain concerned that it is coming at the twelfth hour and with unseemly haste to achieve the government's intent of locking the next government more rigidly into the terms of the funding model.

Summary

AACS remains very concerned about the many unknowns and structural weaknesses of the new funding model as proposed in these pieces of legislation. We are deeply concerned about the ongoing lack of transparency and consultation with independent non-government school peak bodies. We have grave concerns that they will ultimately force the closure of some of our

schools and we do not believe that there are sufficient safety nets in the legislation to prevent this from happening.

R Johnston