

The Secretary
Senate Employment Workplace Relations,
Small Business and Education Legislation Committee
S1.61 Parliament House
CANBERRA. 2600

Dear Sir/Madam

The Geelong College appreciates the opportunity to make a submission in relation to the Government's proposed funding arrangements contained in the State Grants (Primary and Secondary Education Assistance) Bill 2000.

We have been prompted to do so as we consider that the independent school environment in which we operate exposes the deficiencies and inequalities of the present funding arrangements.

The College has functioned as an independent school in Geelong since 1861. We have 1110 full-time students (which includes 90 boarders) and 55 full-time equivalent students in our Early Learning Centre. For government funding purposes, the College has always been classified as a Category 1 school.

The College is the only Category 1 Victorian school which operates solely in a regional area. (The Geelong Grammar School has a campus in Toorak and draws a significant number of its students from overseas.)

Over 90% of our students reside in the Geelong region. The majority of boarding students come from the Western regions of Victoria.

The catchment area of our students is characterised by a lower social-economic status than that which might be considered as typical for similar schools in Melbourne and, for our boarding catchment areas, a marked decline in economic fortunes in recent years.

We are aware that many College families make substantial sacrifices to send their children to our school. A large number of both parents work to fund school fees.

In short, unlike many other Category 1 schools, we are not a wealthy school and are not supported by a wealthy community.

For many years the College has therefore held the view that it has been significantly disadvantaged by its Category 1 classification.

The College faces considerable competition for enrolments from several independent systemic and non-systemic schools in the region. Although students attending these schools come from the same region from which we draw our enrolments, all of the schools are classified more favourably and therefore receive substantially greater government funding than the College.

As a result, they are able to charge fees which are considerably lower than those which the College must charge.

The following are just some of the independent schools in our region with which we compete directly for enrolments:

School	Category	Students	Fees
Kardinia International College	6	998	\$2.380 - \$6.200
Christian College	6	1325	\$2.100 - \$5.160
Sacred Heart College (girls' school)	11	1350	\$1.526 - \$1.922
Ballarat & Queen's Anglican Grammar School (Boarding)	6	1004	\$2.140 - \$8.440
St. Joseph's College (boys' school)	11	1139	\$1.795 - \$1.905
The Geelong College	1	1110	\$6.588 - \$11.528

The Kardinia International College was established as a privately owned school just five years ago when the facilities of the Morongo Girls' College were purchased by its owner following the closure of the school because of lack of enrolments. Morongo was a Category 1 school. The current funding system has allowed Kardinia to re-open as a Category 6 school using exactly the same facilities. In doing so, it is able to charge fees which are approximately one half of the fees charged by the Geelong College.

When it closed its doors, Morongo's enrolments were down to about 300. Kardinia has grown to its current level of enrolments of 1000 in approximately three years by attracting students from within our catchment area who might otherwise have attended our school.

We are currently confronted with similar competition from Ballarat & Queen's Anglican Grammar School (and Ballarat and Clarendon College) in respect of boarding enrolments. The boarding fees at both schools are about 50% of our fees as a result of the migration of the schools into a systemic grouping of schools (Victorian System of Ecumenical Schools). This move has resulted in the funding classification of that school changing from Category 3 to Category 6.

The impact of the change of category on Ballarat & Queen's Anglican Grammar School can be understood by noting the contents published in their 1998 Annual Report. When referring to the School's entry into the Victorian System of Ecumenical Schools, the Headmaster, stated that the initiative "will bring benefits both for Ballarat Grammar and for existing members of the System". He further reported that "substantially increased government funding in the years ahead will be passed on to parents through fees relief. It will also reduce the financial vulnerability of the School".

As a result of its funding classifications, the College finds that it must generate nearly 90% of its income from tuition and boarding fee charges. This income must not only fund our operating expenditure, but also capital works such as buildings and information technology infrastructure.

Unlike our competitors, we are not able to access capital grants or interest subsidies. Furthermore, we are not eligible to receive the Education Allowance from the State Government.

As you will be aware, the cost of the delivery of education is increasing at a rate which is far in excess of the rate of inflation. The College, in common with many other schools, has found it

necessary to raise its fees by significant amounts each year. The fee increases have inevitably impacted on the level our enrolments and, in turn, the total revenue of the College. We are constantly advised by parents of potential students that, whilst they would prefer to send their children to the College, they have decided to enrol their sons and daughters at other lower fee charging schools which receive significantly more government funding.

We recognise that competition between schools is entirely appropriate and are therefore determined to provide an education offering which goes some way to justifying our higher fees. However, it is impossible for us to specifically justify the difference in our fees and those charged by our competitors other than by reference to the difference in government funding.

Although the market place in which we operate would suggest that our classification should be reviewed, the current system effectively prevents a Category 1 school from being re-classified.

Because the College is locked into a high-fee and high-cost position, we are unable to reduce our fees or allocate additional resources to provide a range of educational initiatives which we see as being relevant to students today and necessary to enable us to remain competitive in the education market place. By way of example, as the College has an open entry policy, there is a need to increase our education offering in the area of vocational education and training.

We support the proposed new funding arrangements as we consider that the ERI has, and will continue to unfairly disadvantage the College and many other similar schools due to its fundamental inequity, the distortions it creates in the market place, the ability of some schools to manipulate its outcomes and the rigidity in the classification system.

There is clearly a need to introduce greater transparency into the funding system and to create a more equitable system which accurately reflects the resources of parents who choose an independent education for their children.

We believe that the Socio Economic Status (SES) model used in the new funding proposal has considerable merit and would better reflect the capacity of parents to pay. Adoption of the proposal will help to ensure that the present inequities are avoided, complexity is reduced and the opportunity for schools to manipulate the system in order to gain an unintended benefit, is removed. It would be sufficiently flexible to allow for schools such as the College to be reclassified if economic circumstances of the region in which the school is located change and to reposition its educational offering to reflect the changing needs of students in the region.

We would be pleased to provide further information in support of our submissions and to liase with the Committee in doing so, if required.

Yours faithfully,

ALAN WILLIAMSON
Chairman of Council

Dr PAULINE TURNER
Principal