

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into Commonwealth Funding for Schools**

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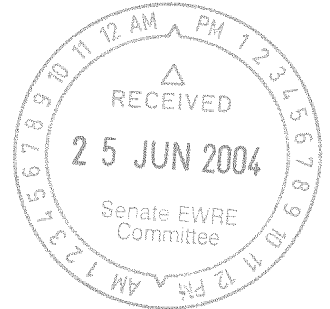
# BLUE GUM COMMUNITY SCHOOL

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## INQUIRY INTO COMMONWEALTH FUNDING FOR SCHOOLS

### KEY POINTS

- Low-fee ACT schools cannot survive, financially, under SES-based funding.
- SES-based funding is an inappropriate model for the ACT, because of the socio-economic mix within suburbs.
- In the ACT, SES-based funding benefits high-fee schools, but destroys low-fee schools.
- Blue Gum Community School, a low-fee school recognised nationally and internationally for our innovative approach to schooling, cannot survive under another four (4) years of SES-based funding.
- Blue Gum Community School is being discriminated against, as the only ACT school forced to come under SES funding, even though Blue Gum was an existing school when the SES scheme started, not a new school established after the SES scheme.
- The ACT Government's *Inquiry into ACT Education Funding* was highly critical of the Commonwealth's SES-based funding scheme, labelling it a "flawed" scheme.
- Why hasn't the Department of Education, Science & Training (DEST) evaluated this new SES-based funding model, as promised, so that any anomalies and inequities can be identified, and changes recommended to Government?

- See attached table, demonstrating the anomalies in ACT schools' funding.

## 1. The ACT Context:

**The bottom line: *Low-fee ACT schools cannot survive under SES-based funding.***

Because of the ACT's socio-economic mix within suburbs and census districts, all ACT schools have high SES scores. This benefits schools charging high fees and disadvantages schools charging low fees.

In 2002, the ACT Government commissioned an **Inquiry into ACT Education Funding**. This Inquiry was asked, inter alia, to report on "*The impact of Commonwealth government's school funding policies.*" (pp.1, 2: Terms of Reference) The Inquiry Head, Lyndsay Connors, reported back in 2003.

This Inquiry found:

### (i) Context:

*"The current Commonwealth Government has made dramatic changes to its funding arrangements for non-government schools. These have delivered real increases in funding to non-government schools and systems in the other states and territory. But the key drivers of these increases – the re-categorisation of Catholic systems and the introduction of socio-economic status (SES) criteria for the determination of funding levels – have not generally been applied to schools and systems in the ACT. The Inquiry has revealed a number of serious flaws in the Commonwealth's SES funding arrangements, which has had the effect of providing incentives to increase, rather than reduce, inequalities in the resources of different schools and systems."* (p. xiv)

### (ii) Non-government schools:

*"Only one independent school in the ACT has benefited from the introduction of the Commonwealth's new SES funding scheme, and this school is at the highest end of the socio-economic scale in the Territory. The Commonwealth's funding scheme is clearly an ad hoc approach to policy development, and one that has been imposed without negotiation or agreement with state and territory governments."* (p. xv)

**(iii) Inquiry Recommendation No. 7:**

*“The ACT Government should reject the adoption of the Commonwealth’s flawed SES-based funding scheme as the basis for the ACT Government’s funding on non-government schools.” (p. xx)*

**(iv) Embedded values in funding arrangements:**

*“No funding arrangements are value free.....The ERI-based funding arrangement was more consistent with the values of those non-government schools or systems that have a ‘communitarian’ purpose, and that keep their fees at a level as affordable as possible to the members of their particular communities.....The SES-based funding arrangement has the effect of rewarding schools that draw children from families who live in average or low-income communities but are able to pay relatively high fees.....there is no downward pressure on fees or other sources of private income under the SES-based scheme.” (p. 26)*

**(v) Anomalies:**

*“The SES-based arrangements, based on census data, attribute to each parent with a student at a non-government school, the SES characteristics of the census collection district in which a parent lives. This methodology involves the highly arguable assumption that parents in each census collection district sending their children to these schools are typical of that district. This is not necessarily so..... the SES-based funding arrangement provides additional funding to one of the ACT’s best-resourced schools and, in the absence of the ‘funding maintained’ arrangement put in place by the Commonwealth, would have meant a reduction in funding for all other schools.” (p. 27)*

*“The educational purpose of the Commonwealth’s General Recurrent Grants scheme is not essentially about strategies to counter disadvantage, but rather to ensure that all schools have a minimum standard of operating resources, after taking account of the relative contributions of the funding partners. Some assessment of the contribution of the private funding partners, largely schools’ parent communities, is required and a direct measure of disposable income would have been more appropriate than an indirect, derived, surrogate measure such as the Commonwealth’s SES index.” (p. 27)*

*“During the consultative process, several organizations observed the possibility that, since the ABS census data relies on respondents’ reporting of gross income, the ability (or perhaps inclination) of residents of the ACT, a relatively high proportion of whom are PAYE employees, to understate their income, is possibly limited by comparison with those of high earners in other states and territories. This is an argument for a more direct measure of parents’ income and wealth in any future funding arrangements that employ an assessment of the socio-economic status of a school’s student body.” (p. 27)*

**(vi) Consistency:**

*“The Commonwealth Government decided that no non-government schools would receive less funding as a result of the change from an ERI-based to an SES-based funding mechanism. Therefore, the only schools that were funded according to their assessment under the SES-based Scheme were those that were advantaged by the change, and new schools not previously funded under the ERI-based scheme. All other schools have been classified as ‘funding maintained’. This ‘funding maintained’ policy has led to the anomaly whereby existing schools are being funded at a level higher than the new schools with an equivalent ranking. This anomaly appears set to persist.” (p. 27)*

**(vii) Trends from 2001:**

*“Of the two schools actually affected by the new Commonwealth funding arrangement, one (Blue Gum School, a newly established school) receives less than established schools on a comparable SES ranking. The other school (Canberra Grammar), with the second highest SES ranking in the ACT, will receive an increase of 73 per cent in Commonwealth funding for primary students over the four years to 2004 and an increase of 45 per cent for its secondary students.” (p. 80)*

*“The SES scheme has produced other anomalies. All ACT schools have SES scores at 112 or above. By comparison, in Victoria, the majority of independent schools have SES scores below 112. For example, Geelong Grammar and Geelong College are both former category 1 schools under the ERI funding model, now have SES ratings of 111 and 109 respectively. In the ACT, Canberra Grammar, a former category 2 school under the ERI model has a SES score of 124 while Canberra Girls Grammar, a former ERI category 3 school, has a SES score of 125.” (p. 80)*

*“The Blue Gum School, which commenced operation after the Commonwealth’s change to the SES scheme, was categorised with an SES score of 117. It is receiving a lesser level of funding than comparable established schools, such as Marist College or Orana School both with an SES score of 119. This consequence was strongly criticised by the parents of student at Blue Gum in their submission to the Inquiry.” (p. 80)*

**(viii) A needs based model:**

*“The Inquiry is persuaded that, to be effective, public funding to non-government schools should, as far as practicable, be on a needs basis. In other words, priority in public funding should not be directed to schools that have the means to provide education standards in excess of those applying in government schools. (p. 90)*

*The ACT should, therefore, reject the adoption of the Commonwealth’s flawed SES-based funding scheme as the basis for funding to non-government schools.” (p. 90)*

**(ix) New schools:**

*“It is necessary to address the implications of the Commonwealth’s new arrangements for the ACT funding of new non-government schools. (p. 91)*

*The only non-government school in the ACT to seek public funding from the Commonwealth and the ACT Governments since the SES funding arrangement was introduced has been the Blue Gum School. It was placed by the Commonwealth in a funding category based on its SES score of 117, entitling it to per capita grants at the primary rate of \$1,614 in 2002. The school community has claimed, rightly, that it is receiving a lesser level of funding than comparable established schools, such as Marist College or Orana School both with an SES score of 119. Under the ‘funding maintained’ arrangement, these schools continue to receive \$2,555 for each of their primary enrolments. (p. 91)*

*From the perspective of a commencing school, it is clearly hard to accept that an established school community judged to have a near identical socio-economic ranking should be receiving a higher level of recurrent grant from either the Commonwealth or the ACT. (p. 91)*

## 2. **Blue Gum Community School's History** (see attached brochure)

Our small non-denominational community school opened in 1998, with a Pre-School class for 3 and 4 year olds. A second class opened in 2000, catering for students in the first year of primary school. Each year since then, our school has extended into the next level of schooling – in 2004, students are enrolled in Pre-School through to Year 4. In 2005, our school will cater for Year 5, and so on.

The planning for our school and the establishment of our school were premised on the Commonwealth funding model then in force i.e. the Education Resources Index (ERI) funding model. Under this model, our school qualified for the same funding level as neighbouring schools, i.e. Category 11 funding. (Blue Gum's current funding - \$1,817; neighbouring schools - \$3,125.)

We first discussed our plans to open a school with the then Federal Department of Education, Training and Youth Affairs (DETYA) in around 1996. Our intent was clear. However, we were told that we could not formally apply for federal funding until we had completed the school **registration** process with the ACT Government.

In fact, DETYA's *Commonwealth Programmes for Schools Quadrennial Administrative Guidelines 1997 to 2000* stated –

Part 2.2 - Grants for Non-government Schools - New and Changing Schools – “Application Requirements

35. After the proponent of a new or changing school has received State **recognition** [our emphasis], the proponent may apply for general recurrent grants....”

Our school was already established and “**recognised**” by the ACT Government as offering an education program for students in their first year of primary schooling, when the Federal Government introduced the Socio-Economic Status (SES) funding model in 2000. Our school's Kindergarten program for 5 year olds was “**recognised**” by the ACT Government from 2000.

At a meeting with Dr Kemp's Adviser in 2000, the DETYA representative present confirmed that other schools had been given different advice from that given to Blue Gum. Other schools were advised to lodge their funding application prior to the funding changeover deadline, whether or not they had finalised school registration. If we had received the same advice as other schools, we would definitely have lodged our funding application prior to the 11 May 1999 cut-off, thus being

eligible to have a choice of funding model – in line with other ACT non-government schools, and every other established school around Australia.

When we raised this issue we were advised that, because our primary school program was not “registered” until 2001, we could not claim to be an established school. Clearly, though, our school had begun and was established in 1998, and our primary school program was “recognised” in 2000. Therefore, we should have been eligible to fall within the legislation’s transition provisions.

Why was Blue Gum denied the ‘choice’ of funding models offered to other ACT schools?

- (i) Our school was not advised, as other schools were, to lodge funding applications (whether they had school registration or not) prior to the cut-off date; and
- (ii) The Federal Education Department narrowly defined “recognition” to mean school registration only, when a broader definition would have included our circumstances and our Kindergarten program for 5 year olds.

These administrative errors have resulted in our school being seriously disadvantaged, funding-wise. Blue Gum was an existing school when the SES funding model was introduced, not a new school established after the new funding model.

Our school students are receiving \$1,817. Yet students attending neighbouring schools serving the same parent population are receiving \$3,125. Our parents cannot understand why they are being penalised for enrolling their children at Blue Gum Community School. Our school cannot increase schools fees to make up the difference - many families struggle to pay our school fees of \$2,600; others have been forced to leave. Yet our school is providing an educational environment that works for many students whose needs have not been met in other school settings – government and non-government. Our innovative education program is achieving remarkable results in restoring students’ enthusiasm for learning.

This year, our school enrolled approx. 100 pre-school students and 50 primary school students (K-Year 4). Next year, our primary school will extend to Year 5. As a non-denominational school, most enrolments are word-of-mouth referrals.

See the attached table, which clearly demonstrates Blue Gum’s funding inequity.



Our school community would welcome an opportunity to discuss our submission with members, and the reasons our school is attracting such strong interest from educators interstate and overseas.

We would like to invite members of the Senate Employment, Workplace Relations and Education References Committee to visit our school, individually or collectively, so that members can judge our circumstances for themselves.

Yours sincerely

Maureen Hartung  
Executive Director

25 June 2004

# BLUE GUM COMMUNITY SCHOOL

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## FEDERAL FUNDING OF ACT SCHOOLS

(data extracted from Media Release : THE FACTS ON LABOR'S "OVER-FUNDED" SCHOOLS: MIN 682/04, dated 22/4/04 - <http://www.dest.gov.au/Ministers/Media/Nelson/2004/04/n682220404.asp>)

Name of ACT School	SES (Wealth) score	Federal funding - average per student
The Galilee Day Program	special	\$5,615 per student
St Thomas Aquinas Primary School	110	\$3,101 per student
St Clare of Assisi Primary School	110	\$3,101 per student
St John the Apostle Primary School	111	\$3,101 per student
Covenant College	111	\$3,057 per student
Mackillop Catholic College	113	\$4,107 per student
St Francis Xavier College	113	\$4,107 per student
Holy Family Parish Primary School	113	\$3,101 per student
St Anthony's Parish School	113	\$3,101 per student
St Francis of Assisi Primary School	113	\$3,101 per student
St Thomas the Apostle Primary School	113	\$3,101 per student
St Monica's Primary School	114	\$3,101 per student
St Matthew's Primary School	114	\$3,101 per student
St Benedict's Primary School	114	\$3,101 per student
Trinity Christian School	114	\$2,846 per student
Canberra Christian School	114	\$2,344 per student
St Michael's Primary School	115	\$3,101 per student
Merici College	116	\$4,107 per student
St Edmund's College	116	\$3,977 per student
Brindabella Christian College	117	\$3,827 per student
Good Shepherd Primary School	117	\$3,101 per student
Rosary Primary School	117	\$3,101 per student
St John Vianney's Primary School	117	\$3,101 per student
St Clare's College	118	\$4,107 per student

Marist College	118	\$3,944 per student
Emmaus Christian School	118	\$3,510 per student
St Jude's Primary School	118	\$3,101 per student
Burgmann Anglican School	118	\$3,016 per student
Orana School	119	\$3,252 per student
Canberra Montessori School	119	\$2,877 per student
St Joseph's Primary School	119	\$3,101 per student
Sacred Heart Primary School	120	\$3,101 per student
Holy Spirit Primary School	120	\$3,101 per student
St Vincent's Primary School	121	\$3,101 per student
<b>Blue Gum Community School</b>	<b>121</b>	<b>\$1,817 per student</b>
Sts Peter & Paul's Primary School	122	\$3,101 per student
Holy Trinity Primary School	122	\$3,101 per student
Radford College	122	\$2,864 per student
Canberra Church of England Girls Grammar School	123	\$1,328 per student
Canberra Grammar School	124	\$1,476 per student
St Bede's Primary School	125	\$3,101 per student
St Thomas More's Primary School	125	\$3,101 per student

#### SOME INTERSTATE COMPARISONS

<b>Name of Interstate School</b>	<b>SES (Wealth) score</b>	<b>Federal funding</b>
Marist College North Shore (NSW)	124	\$4,508 per student
Loreto, Mandeville Hall (VIC)	123	\$4,179 per student
John XXIII College (WA)	123	\$4,111 per student
St Pius X College (NSW)	121	\$3,657 per student
Northern Beaches Christian School (NSW)	121	\$3,591 per student
St Peter's Lutheran College (QLD)	121	\$3,561 per student
Brigidine College (NSW)	122	\$3,466 per student
The Yeshiva College (NSW)	121	\$3,429 per student
Our Lady of Good Counsel Parish School (VIC)	125	\$3,404 per student
Blessed Sacrament School (NSW)	134	\$3,404 per student
Corpus Christi School (NSW)	128	\$3,404 per student
Fr John Therry Catholic Primary School (NSW)	128	\$3,404 per student
Holy Family Catholic Primary School (NSW)	131	\$3,404 per student
McAuley Primary School (NSW)	125	\$3,404 per student

Our Lady Help of Christians School(NSW)	123	\$3,404 per student
Our Lady of Dolours Primary School (NSW)	122	\$3,404 per student
Our Lady of Perpetual Succour School (NSW)	127	\$3,404 per student
Prouille School (NSW)	126	\$3,404 per student
Sacred Heart Catholic School (NSW)	129	\$3,404 per student
Sacred Heart School (NSW)	131	\$3,404 per student
St Agatha's Primary School (NSW)	122	\$3,404 per student
St Bernadette's Primary School (NSW)	121	\$3,404 per student
St Cecilia's School (NSW)	124	\$3,404 per student
St Mary's Preparatory School (NSW)	128	\$3,404 per student
St Michael's School (NSW)	128	\$3,404 per student
St Philip Neri School (NSW)	129	\$3,404 per student
St Thomas' School (NSW)	123	\$3,404 per student
Villa Maria Primary School (NSW)	124	\$3,404 per student
Nudgee Junior College (QLD)	122	\$3,404 per student