

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

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

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**Submission no:** 37

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President

**Organisation:** Association of Parents and Friends of ACT Schools Inc

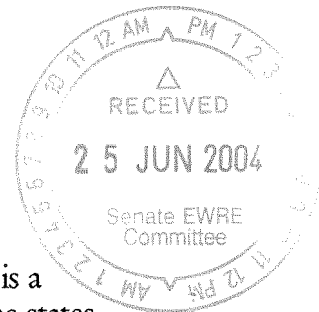
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## Summary

The Association of Parents and Friends of ACT Schools (APFACTS):

- supports the existing framework for the funding of school education, which is a partnership involving the Australian Government and the governments of the states and the territories;
- considers that the application of the Australian Government's SES model to determining levels of funding to ACT non-government schools to be seriously deficient because of characteristics of the ACT community;
- considers that there are anomalies in the funding maintenance arrangements, which adversely affect ACT non-government schools in relation to incomplete coverage of the arrangements and the disparity in funding for ACT Catholic systemic schools in comparison with other Catholic systemic schools; and
- notes with concern the decisions taken by the ACT Government to close its interest subsidy scheme and progressively reduce its level of recurrent funding.

2. APFACTS is committed to the development of funding arrangements which provide a consistent and equitable level of funding for all schools, both government and non-government. Such arrangements should be transparent and non-discriminatory and should enable all Australians to choose the form of education for their children. It recommends that the SES model not be used to measure relative disadvantage until the deficiencies in the model as it applies to ACT schools are fully addressed.

## Association

3. The Association of Parents and Friends of ACT Schools Incorporated (APFACTS) is the peak body for all non-government school parents and friends associations within the ACT. It seeks to safeguard the rights and promote the interests of affiliated schools on education matters with aims and objectives, which include:

- to promote, foster, support and participate in the development, exchange and advancement of educational philosophies and principles including that, as stated in the Universal Declaration of Human Rights, "parents have a prior right to choose the kind of education that shall be given to their children"; and
- to seek equity in the distribution of public funds for education.

4. There are 43 non-government schools located in the ACT, 27 being Catholic system and the others, independent schools (including three Catholic independent schools). Non-government schools taught 23,600 students in 2003 (39 per cent of total school enrolments in ACT schools).

## Principles

5. APFACTS supports the existing framework for the funding of school education, which is a partnership involving the Australian Government and the governments of the States and the Territories. The primary responsibility of the Australian Government, which provides the majority of funding for non-government schools, is to promote equity in the treatment of all non-government schools nationwide, as well as giving schools some certainty in forward planning. On the other hand, the constitutional and

legal responsibilities of the states and the territories for the provision of public education, sees them rightfully bearing the primary funding responsibility for government schools.

6. In defining the role and responsibility of the Australian Government in the funding schools, a primary consideration is the impact on parents exercising their right to choose the kind of education for their children. Currently, parents who send their children to a non-government school pay on average some 60 per cent of the costs of educating their children through fees and voluntary contributions while governments provide funding to meet the remaining 40 per cent of costs.

7. Public funding is essential to enable schools to charge fees that are affordable for parents. It also assists schools to achieve high standards of quality in the delivery of school programs. How public funding is distributed to schools across Australia is of critical importance to the effectiveness of the funding. The Association considers that the allocation of funding to schools should have regard to the following principles:

- **Certainty.** Schools can only take decisions to employ specialist staff and acquire infrastructure to enhance the quality of educational provision if they have a degree of confidence in a continuing level of government financial support into future. These decisions often involve a long-term financial commitment. Funding arrangements that are subject to review with the possible consequence of reduced funding for individual schools create a climate of uncertainty that is not conducive to sound longer-term planning.
- **Equity.** The level of public funding provided to individual schools should take into account the capacity of parents with children at those schools to pay fees. By providing a greater level of funding to all schools, governments make it possible for parents with limited means to exercise choice in the form of schooling for their children. Providing additional funding to those schools with reduced capacity to generate income from parents also contributes to ensuring minimum quality standards of educational provision for schools.
- **Diversity.** Parents can only make educational choices for their children if there is reasonable diversity in the types of available and affordable schools. To achieve diversity, funding needs to be made available to all schools. New schools should also be funded on a similar basis to that which has been provided to established schools in previous years.

### Assessment of SES Model

8. The application of the Australian Government's SES model to determining levels of funding to ACT non-government schools is seriously deficient. Expert commentators voiced criticisms of the model at the time the Government's proposals to introduce the new funding model were announced. The Association considers that there is validity to much of this criticism and the model has anomalies that particularly adversely affect ACT non-government schools.

9. A critical assumption of the model is that the socio-economic status (SES) of parents with children at non-government schools can be estimated by averaging the SES "score" as calculated for the census collection districts where the parents of children reside. This assumption may be defensible in many areas of Australia, where people tend to reside in localities characterised by levels of income (in major cities, the so-called "well-off" and "working-class" suburbs). In these areas the SES measure may therefore

be able to differentiate in a manner that can be used to determine levels of funding based on relative disadvantage.

10. The ACT community does not have this level of income differentiation by locality. Typically, census collection districts in the ACT have residents with high levels of income as well as other residents with low levels of income. The average income for residents in these census collection districts determines the SES score but may bear little relationship to the income levels of the parents of children attending particular schools.

11. As a consequence, the average SES profile of parents attending non-government schools in the ACT is not accurately estimated under the SES model. Low fee schools cater for students whose parents have limited incomes. It is incongruous that two low fee Catholic systemic primary schools should have the highest SES scores in the ACT.

12. The other technical feature of the SES model that disadvantages the ACT is the inclusion of an education dimension into the SES score. ACT residents have a greater proportion of people with post-secondary qualifications than most other areas of Australia with the consequence that the inclusion of the education dimension inflates the SES scores of ACT schools. Criticisms were levelled at the model at the time of its introduction on the basis that there was no empirical basis for the construction of the index (relating to the choice of dimensions and the weightings assigned).

13. In defence of the model, it was argued that there was a need to achieve simplicity in the design of the model as well as what was described as "national consistency". This does not adequately address the criticism.

14. Under the Australian Government funding arrangements, full implementation of the SES funding (planned for 2008) will result in a reduction of funding in the ACT, which for Catholic schools will be in the order of 30 per cent. Such a reduction in funding will have significant implications for the continued viability of many non-government schools beyond 2008 and could result in school closures.

15. The full impact of the new SES model is being cushioned by funding maintenance arrangements available for some schools but not others. A particular anomaly in the ACT is the Blue Gum Community School, which, as a new school, receives funding in accordance with the SES model. As a consequence, it receives funding at a level some 40 per cent less than for similar ACT non-government schools that are funding maintained and that serve the same parent population.

16. A further anomaly of the transitional arrangements is that the ACT Catholic system schools will be 'funding maintained' at the former ERI Category 10, whereas Catholic system schools elsewhere in the country will be 'funding maintained' at the higher level of Category 11. There is no credible basis for this distinction in the level of Australian Government funding. To illustrate, a Catholic systemic primary school in Queanbeyan will receive more money than one only 10 minutes distant in the ACT. As a result of this anomaly, Catholic systemic schools in the ACT will receive substantially less per year than if funded on the same basis as other Catholic systemic schools.

## **ACT Government Funding**

17. An area of concern for the Association is the lack of a co-ordinated approach between the Australian Government and the state and territory governments to the funding of non-government schools. In particular, the disparity in the funding of Catholic systemic schools referred to above is exacerbated by the differing funding arrangements of the ACT and NSW governments. On 2001 figures, 17 cents is paid in respect of an ACT non-government student for every dollar paid in respect of an ACT government school student, whereas, in NSW, the corresponding figure is around 25 cents. A decision of the ACT government in its 2003-04 Budget to index per capita funding for movements in the CPI (2%) rather than the ACT Schools Standard Costs will contribute to a progressive deterioration in the level of ACT government support for non-government schools.

18. In July 2003, the ACT government closed its interest subsidy scheme, which provided financial assistance for the capital programs of non-government schools. The impact of this decision has been substantial for schools such as the Burgmann Anglican School, which is in the process of establishing in Gungahlin, one of the newer areas of Canberra. While some limited assistance has been provided to the school from the Australian Government capital program, the school is facing a substantial funding shortfall that was not anticipated at the time that the decision was taken to build the school.

## **Other issues**

19. The Association considers that all non-government schools should receive some public funding. The operational costs of schools would simply preclude their existence without such funds. It is occasionally argued that so-called "elite" schools should receive no public funding because the children attending those schools are the sons and daughters of wealthy parents. The reality is somewhat different. Parents primarily choose a school for its educational values. Many parents, who are not wealthy, make substantial sacrifices to meet the fees of the school to which they send their children. As taxpayers, they have a right to some measure of financial assistance to defray the costs of sending their children to a school of their choice.

## **Recommendations**

20. The Association recognises the reality of an approach to public funding of non-government schools which differentiates between schools in the level of assistance provided based on relative disadvantage. It is opposed to the use of the SES model to measure relative disadvantage unless the deficiencies in the model as it applies to ACT schools are fully addressed.

21. As an interim measure, it is recommended that the funding provided to the Blue Gum Community School be increased to a level that is comparable to the funding provided to similar schools within the ACT.

22. More fundamentally, the Association is committed to the development of funding arrangements which provide a consistent and equitable level of funding for all schools, both government and non-government. Such arrangements should be transparent and non-discriminatory and should enable all Australians to choose the form of education for their children.