

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into Commonwealth Funding for Schools

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Archdiocese of Canberra and Goulburn
CATHOLIC EDUCATION COMMISSION



**SUBMISSION TO THE SENATE INQUIRY INTO
COMMONWEALTH FUNDING FOR SCHOOLS**

The Catholic Education Commission (CEC) supports the funding principals of the National Catholic Education Commission, (NCEC). These are:

1. The National Catholic Education Commission supports quality education of all students in Australian schools, both government and non-government. The NCEC believes that Catholic schools are serving the public purpose of education and are partners in the Australian education enterprise.
2. The NCEC's guiding principals (No.9, National Catholic Education Commission School Funding Policy, 1987) for the advocacy of funding for all schools are that:
 - Every citizen has the right to freedom of choice of education;
 - All children have a right to share equitably in the public expenditure on education, irrespective of the school chosen by parents;
 - The distribution of public funds must taken into account the general educational needs of every child, especially those children who are disadvantaged educationally by social, economic, geographic, cultural, physical and other factors and
 - The distribution of public funds must express the general state of the economy, the resources available to the schools under consideration and to the parents' economic state.

**New Funding Arrangements for Catholic System Schools in the 2005-2008
Quadrennium**

Under the new SES funding arrangements for Catholic System schools to be introduced in the 2005 – 2008 funding quadrennium, schools within the System will attract funding at the greater of their SES score or their funding maintained level. In the ACT, all current Catholic System schools will be funding maintained at 51.2% of AGSRC. There are no guarantees of funding maintenance beyond the 2005-2008 quadrennium.

The ACT Catholic System currently receives from the Federal Government the lowest level of per student funding of any State/Territory Catholic System and, under the new funding arrangements for Catholic Systems, will be the only Catholic System not to receive any real funding increase.

The Impact of SES on the ACT

If the government of the day was to apply a funding distribution model based purely on SES of the schools within a System, all Catholic Systems would be financially worse off. The ACT would be the most seriously affected with a weighted average SES score of 115. This would attract only 32.5% of AGSRC resulting in a loss of \$16.4m pa (in 2003 dollars). Any funding model which includes SES as a principal component will disadvantage the ACT.

If the SES funding arrangements without funding maintenance are implemented for Catholic System schools from 2009, it would be necessary to increase the level of tuition fees in the ACT by 250% for primary students and 116% for secondary students in order to maintain the current level of funding (in 2003 \$). The primary fee requires a greater increase because it is currently a family fee.

The present Government has agreed to support the NCEC in a review of the present funding arrangements in order to develop a more appropriate, consistent and secure funding model for the 2009-2012 quadrennium.

Anomalies of the SES for the ACT Catholic System

ACT Catholic System schools have similar SES scores to high fee schools such as The King's School and The Scots College in NSW and Melbourne Grammar School, Geelong Grammar School and Scotch College in Victoria. A comparison of the SES scores of ACT Catholic System schools and some well-resourced, high fee schools is at Attachment A for information.

The SES model implies that ACT Catholic System schools have the same resources and all ACT Catholic families have the financial capacity to pay the same level of school fees as those schools with a similar SES score. This is plainly not true.

By comparison to the above mentioned schools, ACT Catholic System schools have the highest student/teacher ratio of any Government, Catholic or Independent sector in Australia and their physical resources are modest by any comparison. They are local neighborhood schools. Their total resources per student are only about 75% of the resource level of ACT Government schools.

The Catholic Education Commission of the Archdiocese of Canberra and Goulburn is firmly of the view that SES is not an appropriate measure of need and that particular circumstances exist in the ACT which exacerbate the shortcomings of the SES funding model.

The following particular aspects of the SES are considered to create a distorting effect to the real measure of affluence or otherwise of a school community in the ACT:

1. The degree of heterogeneity within a Collector District (CD) influences the index score of the CD. The SES scores for the ACT are the most homogeneous of any State or the Northern Territory. According to the ABS, it is more difficult to draw inferences from a homogeneous CD.

2. The ABS Census, upon which the SES data is derived, is only updated every five years and is an unaudited, self-assessment process. The ACT population is extremely mobile with only 44% of Canberra residents at the same address between the 1991 and 1996 Census. The Canberra region also has a relatively high itinerant workforce including contract employees and Defence personnel. SES data therefore cannot provide an accurate assessment of a school's SES score from year to year.
3. The Population Census question on income places income in ranges, the highest gross income being "\$78,000 or more per year". This does not allow a distinction between a working couple on a moderate income and the "very rich". In addition to the comparison of SES scores detailed above, this anomaly is identified within the ACT itself in that well-resourced, high fee schools capable of generating high private incomes have similar SES scores to Catholic System schools.
4. The ABS has recognised that the Population Census provides poor quality data in respect of income. The ACT has a particularly high proportion of PAYE employees who have less opportunity or inclination to mis-state their income.
5. The city of Canberra is condensed with many small suburbs. There is a high level of homogeneity in the ACT. The results are distorted against other States and the Northern Territory as the ACT does not have a rural sector to moderate the average.
6. The SES does not consider the asset position or disposable income of households. Canberra has a high proportion of families paying home mortgages. There is little family support and child care must be purchased. The Population Census question on income refers to gross income. Because of the high proportion of PAYE employees in the ACT, their full taxation burden is met. Relative to household income, net disposable income in the ACT is considered low.
7. Catholic schools in the ACT seek to provide places for all who seek them. The inability to pay school fees is not a reason for exclusion of any child from a Catholic school. Catholic schools draw from the same demographic as Government schools and, in order to provide parental choice, must provide at least an equivalent educational service, albeit at a lower resource level.
8. ACT Catholic System schools have a rigorous fee collection process in place aimed at differentiating between unwillingness and inability to pay school fees. The fee collection rate is around 85% to 90%. Practical experience suggests that capacity to pay is at its peak.

New Schools

Within the new funding arrangement for Catholic Systems in the next quadrennium, any new Catholic Systemic school will attract funding to the System according to their SES score ie. No funding maintenance will apply.

New Schools - ACT

The CEC is planning to open two new schools in the ACT in the next quadrennium, stage 1 of a secondary college in the growth area of Gungahlin in 2007 and the third primary school in Gungahlin in 2008. Under the new funding arrangements they will attract Australian Government funding at their SES level. The difference in the level of recurrent Australian Government funding that students in these schools would attract is:

	Current System Funding per Student (2003 \$)	New Schools Funding per Student (2003 \$)	Variation
Primary	\$3,103	\$1,818	-\$1,285
Secondary	\$4,108	\$2,407	-\$1,701

In a primary school of 600 students and a secondary college of 1,000 students, the above variation represents a shortfall of \$2.5m pa in 2003 dollars.

This creates a significant disincentive for Catholic Systems to open new schools in this situation and has the potential to deny parents the right of choice of a Catholic school.

School Amalgamation

Under the new funding arrangements where an amalgamation of schools takes place, a new SES will be calculated for the new school and this score will determine the school's funding entitlements.

Thus if two Catholic System Schools amalgamate and the resultant SES score is higher than 96 (100 in ACT) the System will receive less funds than if they had remained as two schools even though the same students attend the amalgamated school.

It would be a significant disincentive for Catholics Systems to proceed with the amalgamation of schools in this situation even though on educational and other economic grounds the amalgamation is desirable.

