

# Minority Report by the Australian Greens

When in opposition the ALP identified fundamental flaws in the socio-economic status (SES) funding model. The now Education Minister, Julia Gillard, said in 2000:

"There are the following five flaws in the SES model. Firstly, it could be argued that the model is flawed, proceeding as it does on the basis of the average government school costs figure. ... Secondly, this model uses only some aspects of the census data. ... Thirdly, the model may lose veracity the more geographically dispersed the students of a particular school are. ... Fourthly, the model may lose veracity in highly differentiated areas where wealth and poverty live cheek by jowl. The last objection to the SES model is more philosophical, that the model makes no allowance for the amassed resources of any particular school. .... This is a gaping flaw, one which the government would not allow to emerge in any other benefit distribution system."<sup>1</sup>

Nothing has changed in the meantime and it is unacceptable that the Rudd Government is seeking to maintain the SES model with all its flaws for another 4 years.

Fundamentally, the problem with the SES model is that the formula to provide the funding has never been applied as intended because of the funding guarantee provisions. These provisions see about half of Australia's non-government schools receive more funding than they would be entitled to if the SES formula was strictly applied. The committee heard evidence that non-government schools would receive around \$2.7 billion in additional funding over the next four years as a result of these overpayments. By guaranteeing this level of overpayment for the next 4 years non-government schools have certainty and additional funding while public schools have no such certainty.

The problem with public education funding in Australia is that it is primarily the responsibility of State governments with top up from the Commonwealth. This funding arrangement has been a disaster for public school funding making it vulnerable to the vagaries of state budgets. Under this dysfunctional education funding model, the gap between funding of private and public education has widened. It is likely that with the current economic downturn, reduced consumer spending and reduced return on resource based company profits that state governments will further cut back on public education spending in the next four years. Therefore, the Australian Greens believe that the review of the SES model should be brought forward and that the Schools Assistance Bill should only provide funding for the next 2 years.

The Australian Greens support the comments of the majority report in respect of the implementation of a national curriculum, funding transparency and audit reports.

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<sup>1</sup> The Hon. Julia Gillard MP, Second Reading Speech, States Grants (Primary and Secondary Education Assistance) Bill 2000, *Hansard*, 4 September 2000, p. 20047.

**Recommendation 1: The title of the bill be amended to the Non-Government Schools Assistance Bill 2008.**

**Recommendation 2: The bill provide funding for the next 2 years only.**

**Recommendation 3: The review of the SES model is brought forward and completed by mid-2010 and the recommendations framed before the next federal election.**

**Recommendation 4: Public schools receive additional Commonwealth funding over the funding period equivalent to the maintained funding and guaranteed funding provided to non-government schools calculated to be about \$2.7 billion over the next four years.**

**Senator Christine Milne**