



Submission to the Senate inquiry into Schools Assistance Bill 2008 and the Education Legislation Amendment Bill 2008

**From
Lutheran Education Australia**

Introduction

The Lutheran Church of Australia (LCA) through Lutheran Education Australia (LEA) operates 83 primary and secondary schools, and 28 early childhood centres, educating some 37,000 students. Lutheran schools have been operating in Australia since 1839, and they have been important community and regional educational agencies in Australia for 170 years.

LEA represents Lutheran schools and systems nationally and is recognised by the Department of Education, Employment and Workplace Relations (DEEWR) as a national interest group in its own right. It works closely with the Independent Schools Council of Australia. In addition, it consults regularly with other national bodies to promote the needs of its schools.

Lutheran schools have formed systems because all schools are agencies of the Lutheran Church and they see significant benefits from working co-operatively. There are three Lutheran systems which administer all but 5 of the 83 Lutheran schools in Australia. These non-systemic schools are under the control of, and administered by, the three system directors.

A recent analysis of the operation of Lutheran schools indicates that they operate nationally at recurrent resource levels around the Average Government School Recurrent Cost Index. Government funding enables Lutheran schools to operate with modest fee levels and Lutheran schools are intentionally accessible to a wide cross section of Australian families. Accordingly the average SES of a Lutheran school is 100 and the average has tended downwards over the past two funding quadrenniums.

LEA acknowledges the stability of funding that its state systems have enjoyed through quadrennium funding. It also acknowledges the increased recurrent funding to its systems and schools through the SES since it was introduced in 2001. However, it notes that this increased funding has been primarily because of increased enrolment numbers and Australian Government School Recurrent Cost supplementation of the per capita grants. This funding has been critical for Lutheran schools to achieve the *National Goals for Schooling in the Twenty-First Century* and support the Australian government's priorities for education. Such funding has also been important in enabling Lutheran schools to operate accessible schools by minimising school fee increases.

Principles for funding schools

LEA believes that the following basic funding principles should underpin Commonwealth government recurrent funding for the new quadrennium:

a) basic entitlement of recurrent funding for all students

Each Australian student is entitled to a basic grant from the Commonwealth government, irrespective of the school that he/she attends.

- b) additional recurrent funding according to the needs of the school community**
Additional Commonwealth government recurrent funding should be based on a measure of the needs of the school and its community.
- c) all schools and systems to be funded according to the same funding methodology**
There needs to be a consistent method for determining funding needs across all schools and systems in the non-government sector.
- d) transparency of funding methodology**
Funding methodology needs to be based on explicit and objective criteria.
- e) quadrennial funding periods**
Schools require the security and stability of knowing in advance their funding levels from government.
- f) funding based on AGSRC**
The AGSRC is an objective index that is an appropriate basis for all government funding.
- g) annual supplementation based on movement of the AGSRC**
Indexation based on the AGSRC is necessary for Commonwealth government recurrent funding to keep up with real costs in education.

These principles underpinned the education policies of both major political parties during last year's election campaign. We believe that the legislation under review (Schools Assistance Bill 2008) implements a funding regime based on these principles.

Whilst there are issues that need to be addressed as part of the SES funding model e.g. *funding maintained* status and the ability to establish new affordable school in such areas as NT and ACT, we are confident that the announced Funding Review for 2010 will allow these issues to be identified and addressed.

Thus we believe that the legislation under review, providing recurrent, targeted and capital funding for non-government schools for the new funding quadrennium, is as was promised in the election campaign and should be passed to enable funding of schools and payment of staff from the commencement of the 2009 school year.

Systems

Systems are important to LEA. They represent the integrity of the schools as agencies of the Church. They enable schools to work together in support of quality learning outcomes, and represent a balance between centralised control and local management. Thus LEA systems both support and empower principals to provide leadership at the local level, whilst providing efficiencies and services for system schools, and government with one point of contact and greater assurances for accountability. Systems spread the cost burden of opening new schools.

We support the legislation's recognition of existing systems and provisions for the establishment of new systems.

Accountability and reporting

LEA notes the range of accountability and reporting requirements that are placed upon systems and school authorities as a consequence of receipt of money allocated in the 2009-2012 quadrennium. In general, LEA believes these requirements are appropriate. However, LEA feels there will need to be full and meaningful consultation with stakeholders and system authorities in the implementation of these requirements as regulations. The emphasis on outcomes is supported.

The government has emphasised the importance of transparency of data for all schools, whether government or non-government. This legislation applies only to non-government

schools. If the requirements for government school reporting and accountability are exactly the same, we do not have difficulties with what is being proposed. In relation to financial data we note that the government already collects such data. We would be interested in how the regulations will require such data to be publicly reported.

The national curriculum

Lutheran Education Australia has supported the moves towards a national curriculum for a number of years. We have applauded the consultative way in which the National Curriculum Board has gone about its business. Our officers have attended many consultations on the national curriculum and have confidence that a curriculum is being developed that will prepare Australian children well for their future.

However, we note that the final and full nature of the national curriculum is not yet available. We also note that this compliance with the national curriculum will also be required of government schools. Registration or accreditation of non-government schools is presently a state government function and any requirements for curriculum compliance are met through state registration. We understand that any Commonwealth curriculum requirements will be reflected in state policy and procedures for school accreditation. Accordingly we are pleased that all Australian schools will participate in the national curriculum, with the provision, as is in existing state legislation, 'or its equivalent'.

Funding for Indigenous education

Lutheran Education Australia notes the new policy framework for the funding of the education of Indigenous Australians in the Education Legislation Amendment Bill 2008. LEA has had a long heritage of being involved in the education of Indigenous Australians. 566 Indigenous Australians are educated in Lutheran schools. Its systems have Indigenous education officers who work with schools to develop programs to maximise the benefit of Commonwealth funding for Indigenous education.

We support the increased funding in this area, the collapsing of programs and the new reporting structure. The Bill will provide our system authorities with the flexibility to respond in the best possible way to identified needs.

The Legislation

LEA stresses the importance of schools having certainty of funding for the next four years so that their budgets for the 2009 school year can be met. Accordingly, LEA strongly urges that the funding legislation for 2009-2012 quadrennium, Schools Assistance Bill 2008 and the Education Legislation Amendment Bill 2008, be passed well before the end of 2008.

Recommendations

1. Since the proposed funding arrangements meet the funding principles enunciated in this submission LEA recommends that the legislation be passed and well before the end of 2008.
2. LEA recommends that in its consultations towards the development of the regulations that will implement the accountability and reporting requirements DEEWR place the emphasis on school improvement as much as accountability, with no compromising of the emphasis on outcomes rather than inputs.

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