

# Amending The States Grants Act

Reforming Commonwealth Schools Funding  
Part 3



# The States Grants Act

- The Commonwealth government funds schools under the States Grants (Primary and Secondary Education Assistance) Act 2000
- The current act runs out in 2004, and so a new act will have to be passed soon
- The legislation will also be an important part of the debates in the run up to the next Federal election.



Whilst private schools continue to receive funding, it is imperative that this be done in a way which encourages equity and does not undermine the public system.

The current Act does not achieve this.

These are the minimum amendments necessary to the States Grants Act to make it fairer.



# 1. Include a Rationale

The Act should be amended to include a rationale which bases all funding on the MCEETYA Principles. (See next 2 slides). This would mean funding would:

- Seek to achieve equitable outcomes
- Be needs based
- Take account of private school private income
- Ensure fairer funding for public schools
- Make the Commonwealth and states and territories work in partnership



# MCEETYA - Resourcing the National Goals for Schooling: An Agreed Framework of Principles for Funding Schools (1)

- The total level of resources available for schooling is adequate so that achievement of the National Goals for Schooling is a realistic objective for all students.
- Public funding across different schools and sectors is distributed fairly and equitably through a consistent approach to assessing student needs and through having regard to the total level of resources available for students.



# Resourcing the National Goals for Schooling (2)

- The total level of funding for government schooling is adequate to ensure access to high quality government schooling for all, and all governments' funding policies recognise this as a national priority.
- Public funding for schooling supports the right of families to choose non-government schooling and supports non-government schools on the basis of need, within the context of promoting a socially and culturally cohesive society and the effective use of public funds.
- Resourcing for all students is adequate for meeting the National Goals, notwithstanding the school or school sector they attend.



## 2 Make the Share of Funds Fairer

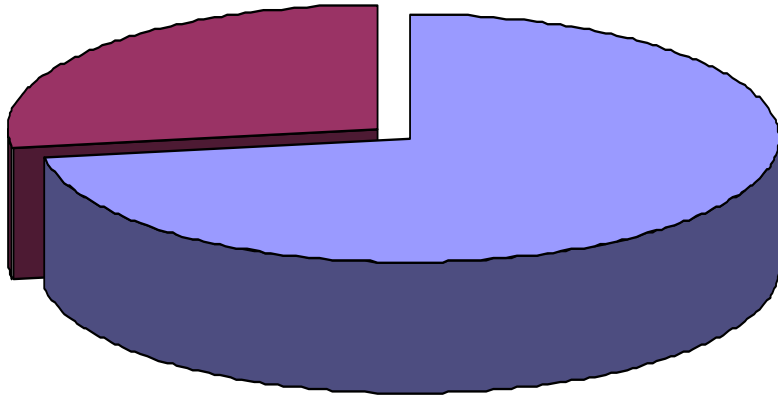
The share of Commonwealth school funding going to public schools should be increased to make it fairer

One way to do this would be to restore the proportion of funds going to targeted programmes rather than recurrent expenditure.



## Share of Recurrent Expenditure

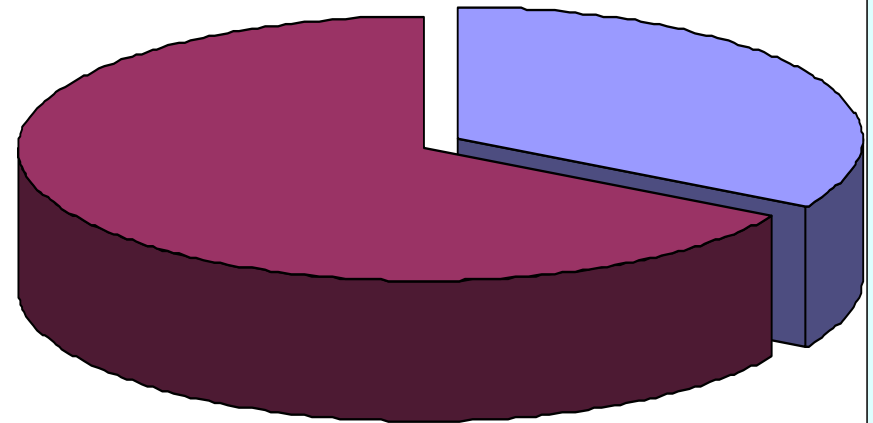
Public 28%



Private 72%

## Share of Targetted Expenditure

Private 33%



Public 67%



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### **3 Change the AGSRC Nexus**

The method of calculating the Average Government School Recurrent Cost (AGSRC) should be changed so that it reflects “base” spending but not social justice money. (In line with work being undertaken by the Schools Resourcing Taskforce).

It is also desirable that some community or resource standard replace the use of AGSRC as a benchmark.

In the long term, it is desirable that funding be based on an “equivalent school” rather than “per student” basis.



## 4 Modify the SES Model

In addition to taking account of school private income, the SES should be based on parents actual income, not that of the communities they come from

There should be a time frame within which all non government schools (including Catholic schools) are to be brought into the same funding mechanism (See next slide)

Funding should be capped so that schools that are already operating at superior resource levels do not receive public money



# School Funding – Four Systems

Independent Schools		Catholic Schools	
On SES Funding	On Old Funding	On 56.2% AGSRC	On 51.2% AGSRC
913	299	1651	27

- Catholic schools are “deemed to be on either 56.2% or 51.2% (ACT) without being assessed under the SES
- Only 32% of all non-government schools are actually on the SES system
- 25% of Independent schools are still funded by the old system
- Independent schools are automatically placed on the system that gives them most money



# 5 Increase Accountability

The receipt of public funding should be conditional on full accountability including reporting to Parliament on all income and expenditure

Funding agreements with non government schools should specify standards of delivery (e.g. Class size)

Public money given for recurrent expenditure should be used for that, not the accumulation of private school capital

Expenditure on promotion and advertising should be regulated and limited

There should be agreements on entry and expulsion criteria with Departments



## 6 Re-introduce Planned Provision and Abolish Establishment Grants

- The Act should include measures for planned provision which ensure that:
  - any growth in private schools is demand driven,
  - new schools do not deleteriously affect existing schools,
  - new schools are educationally and economically viable
  - and they are of reasonable size

Establishment grants should be abolished or at least tied to planned provision.



## **7 Limit Emergency Assistance and enforce the not for profit clause**

Emergency assistance should only be available in relation to the not for profit operations of non government schools and not be available for contingencies arising in their for profit operations.

There should be an open inquiry to establish guidelines about the interaction of “for profit” and “not for profit” activities of non government schools.



# Undesirable Amendments

The private school lobbyists have already begun to lobby for yet more benefits for their schools. The following should not be included in the amendments:

1. More systems under similar funding arrangements to Catholic schools.
2. Addressing anomalies by increasing funding
3. Allowing money “to follow students” in the case of students with disabilities (see next slide).



# Students with Disabilities

The private school lobby is arguing that funding for students with disabilities should “follow the students.”

This individualises the costs of providing services to a range of students. Economies of scale in training and infrastructure will be lost .The extra costs of educating students with disabilities are already included in the AGSRC. The problem is the way they are distributed within the private sector.

Research shows that, for instance, the Catholic system is in fact over funded for students with disabilities.



This is the third in a series of three presentations dealing with the States Grants Act and Commonwealth school funding.

The others are:

1. Understanding how Commonwealth school funding works
2. Some problems with the current Commonwealth funding arrangements for schools.

They are available from the AEU website at [www.aeufederal.org.au](http://www.aeufederal.org.au)

