

Some Problems with the Current Commonwealth Funding Arrangements for Schools.

Reforming Commonwealth Schools Funding
Part 2



1. It is based on a flawed rationale
2. It gives private schools an unfair share of Commonwealth funding
3. There are problems with the SES model itself
4. The use of the AGSRC is biased against public schools
5. Private schools are not made sufficiently accountable
6. There is no proper planning and new schools are encouraged to open through Establishment Grants
7. There is a blurring of the not for profit principle in the way Emergency Assistance is used.



Some problems with current Commonwealth funding arrangements for schools

Flawed Rationale

- The Government claims that the Commonwealth should look after private schools because the states and territories look after public schools
- Focus on public expenditure rather than total
- Policy that private investments in education should not be discouraged and schools should be able to raise private income (including through fees) without penalty.



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GOVERNMENT INTERPRETATION



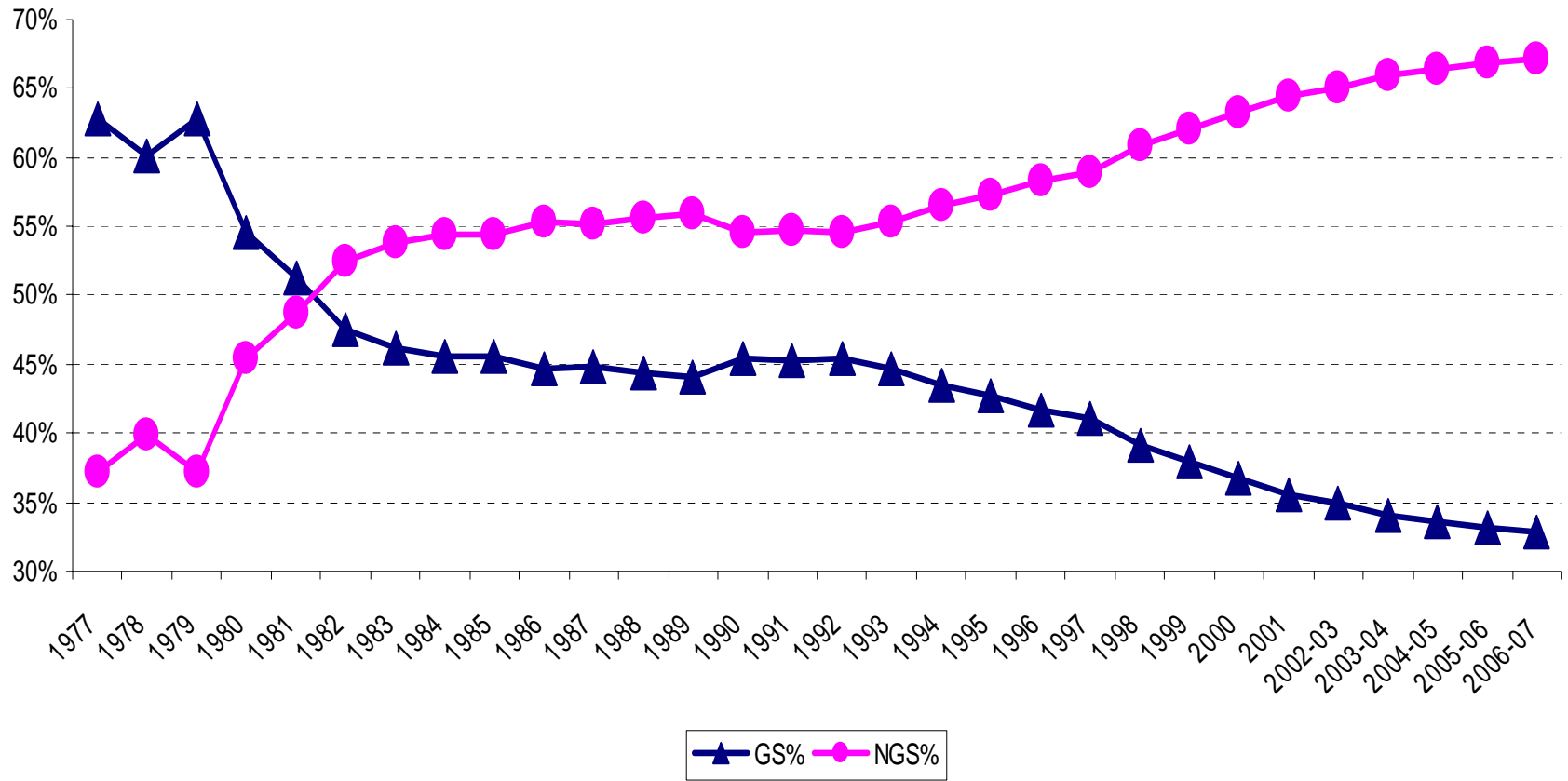
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Share of Funds

- In order to lock all private schools into the new system, it was necessary to give huge increases overall, which the government schools did not get. As a result, increases to the private sector have far outstripped those to the government schools.
- The share of Commonwealth schools funding going to private schools is now over two thirds.

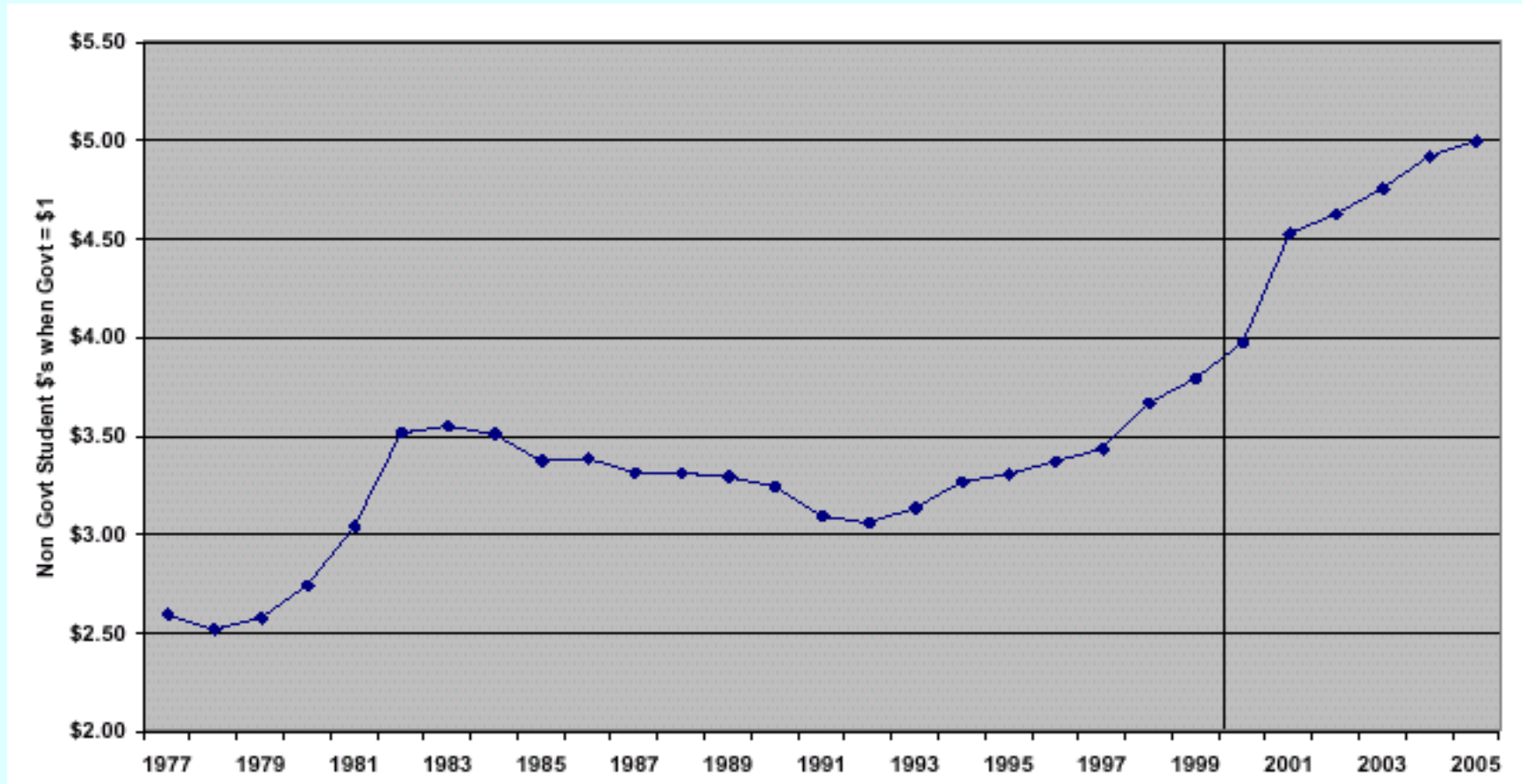


The Diminishing Public School Share of Commonwealth Funding



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Ratio Of Private School Dollars To Each Government Student Dollar



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The SES Model

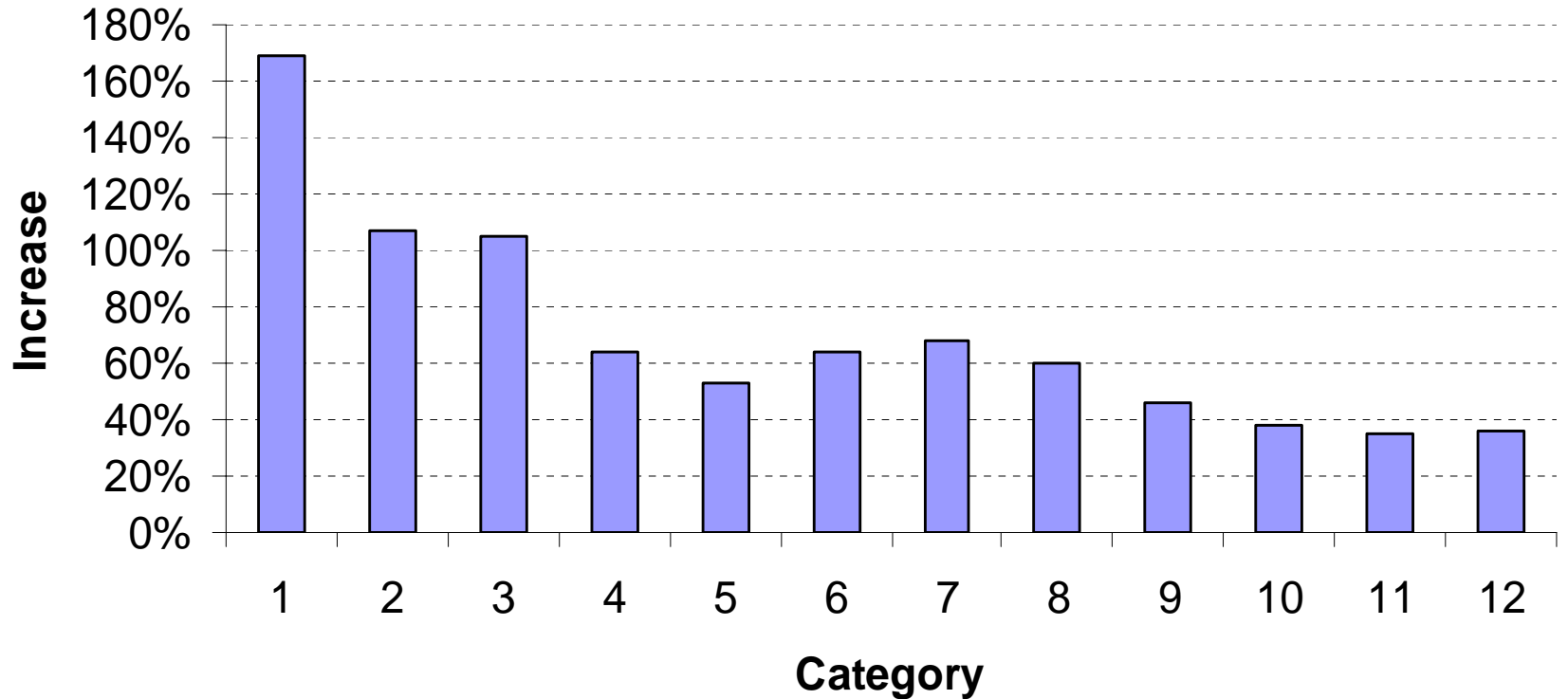
The so called socio economic status model (SES):

- Is based on communities (CDs) rather than individuals, thus favouring wealthier students from poorer areas (especially boarders from the country)
- Is inconsistent as it allows those schools not benefited by the SES to stay on the old funding model. These schools are overfunded based on their SES rating to a total of about \$80m.
- Does not include Catholic systemic schools
- Is skewed to the most wealthy schools



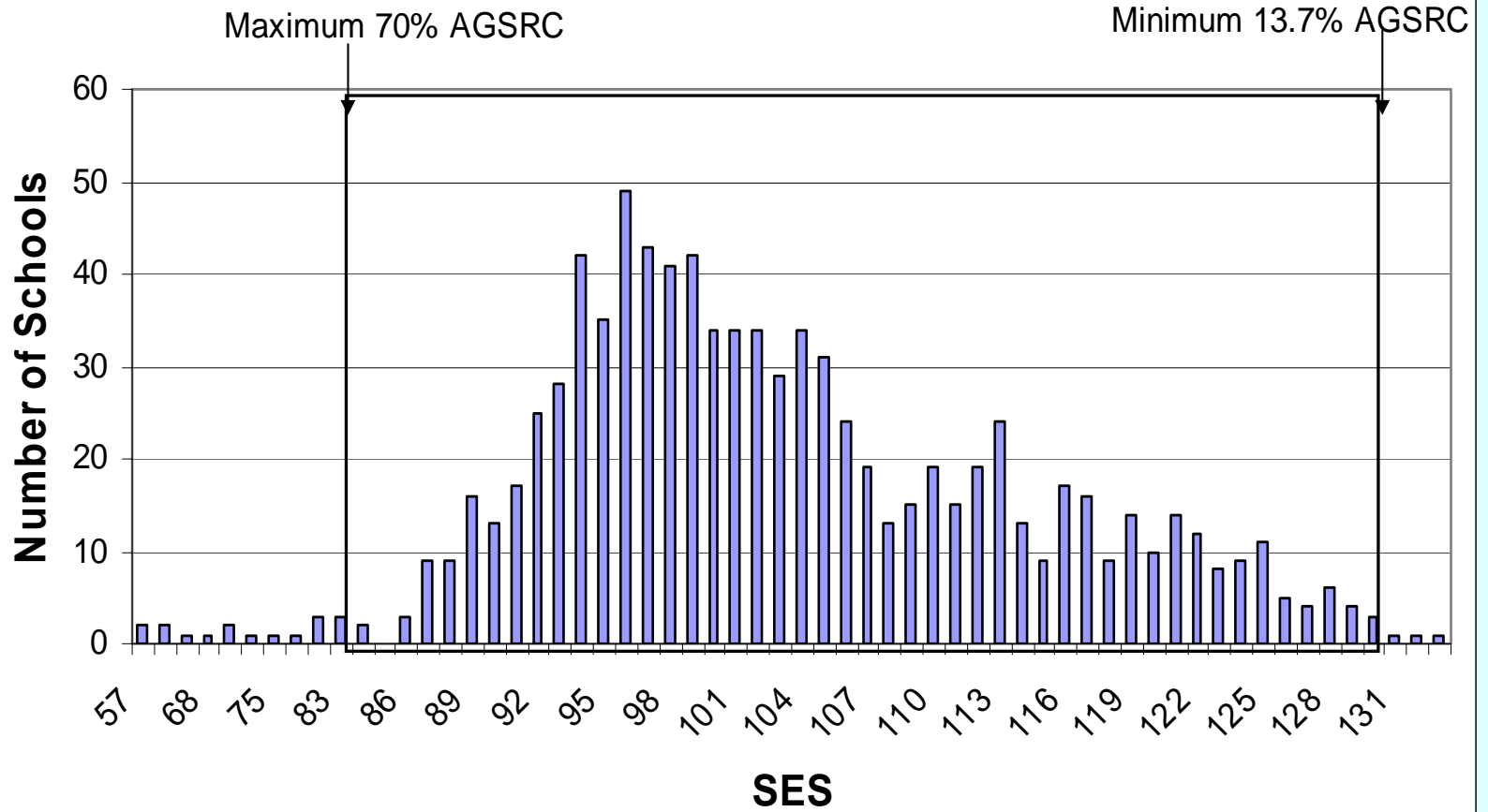
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Independent Schools Average Increase by Category



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SES Range and Funding Range



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- Whilst the funding range is from 13.7% to 70% of AGSRC, in fact the majority of schools are funded in the upper half of that range.
- There are a lot more schools in the “below 85” SES category than in the “over 130”.
- Most of the schools that are regarded as “wealthy” are not funded at the minimum as would be expected.
- In fact, only two former Category 1 schools are funded at the minimum
- Some of the schools considered not to be in the “least needy” category and their SES scores are shown on the next slide.



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Ivanhoe Girls' Grammar	VIC	114
Tudor House	NSW	112
Trinity Grammar School	NSW	112
Ivanhoe Grammar School	VIC	112
Woodleigh School (Junior Campus - Minimbah)	VIC	111
Wilderness School	SA	111
The Peninsula School	VIC	111
Toorak College	VIC	111
Geelong Grammar School 'Corio'	VIC	111
Mentone Grammar School	VIC	110
Gib Gate School	NSW	109
Frensham School	NSW	109
Mentone Girls' Grammar	VIC	109
Geelong College	VIC	109
Haileybury College	VIC	108



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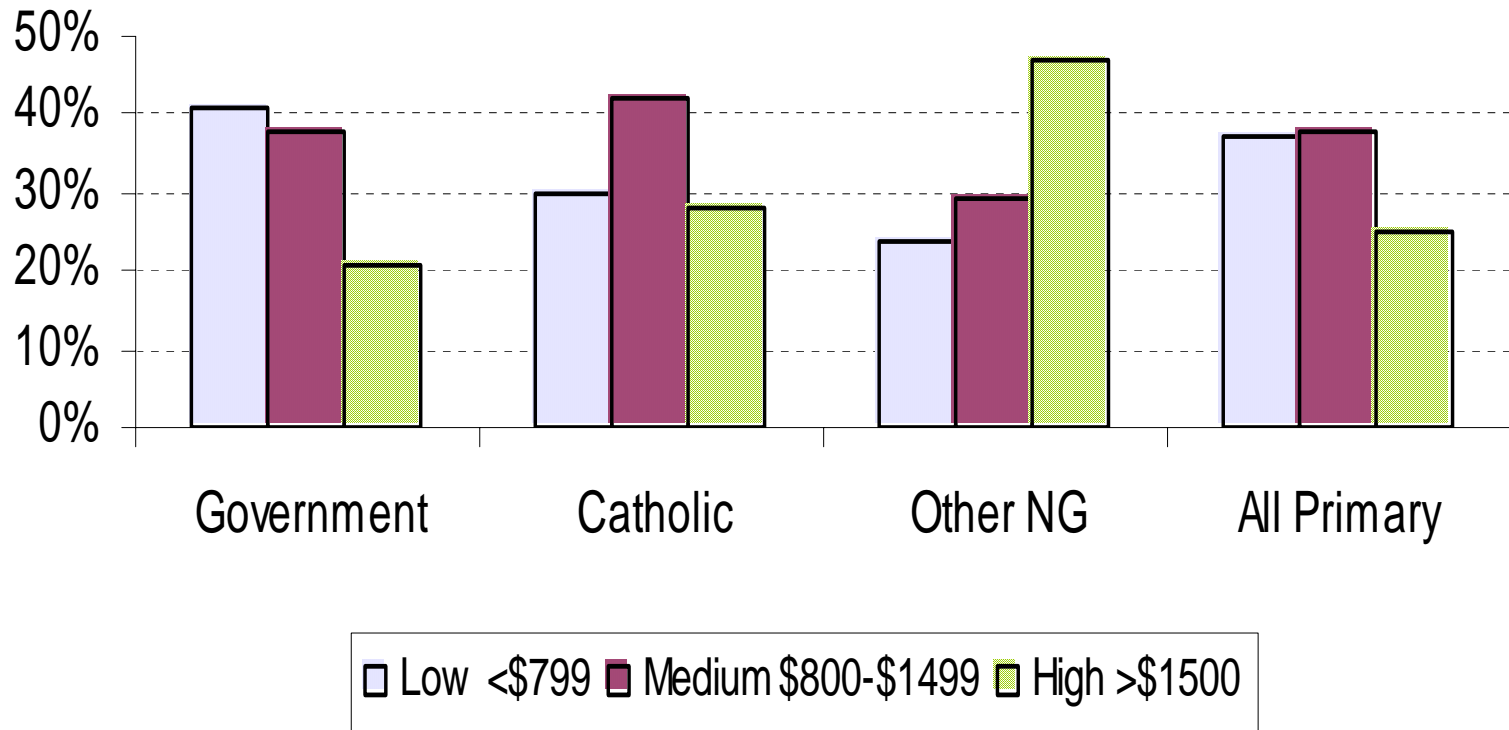
The AGSRC

- Private school funding is tied to government school funding through using the average school recurrent cost (AGSRC) as the basis of that funding.
- Public school funding includes the costs of educating more low SES, Indigenous, etc. students, and this flows through to the private schools (See following slides)



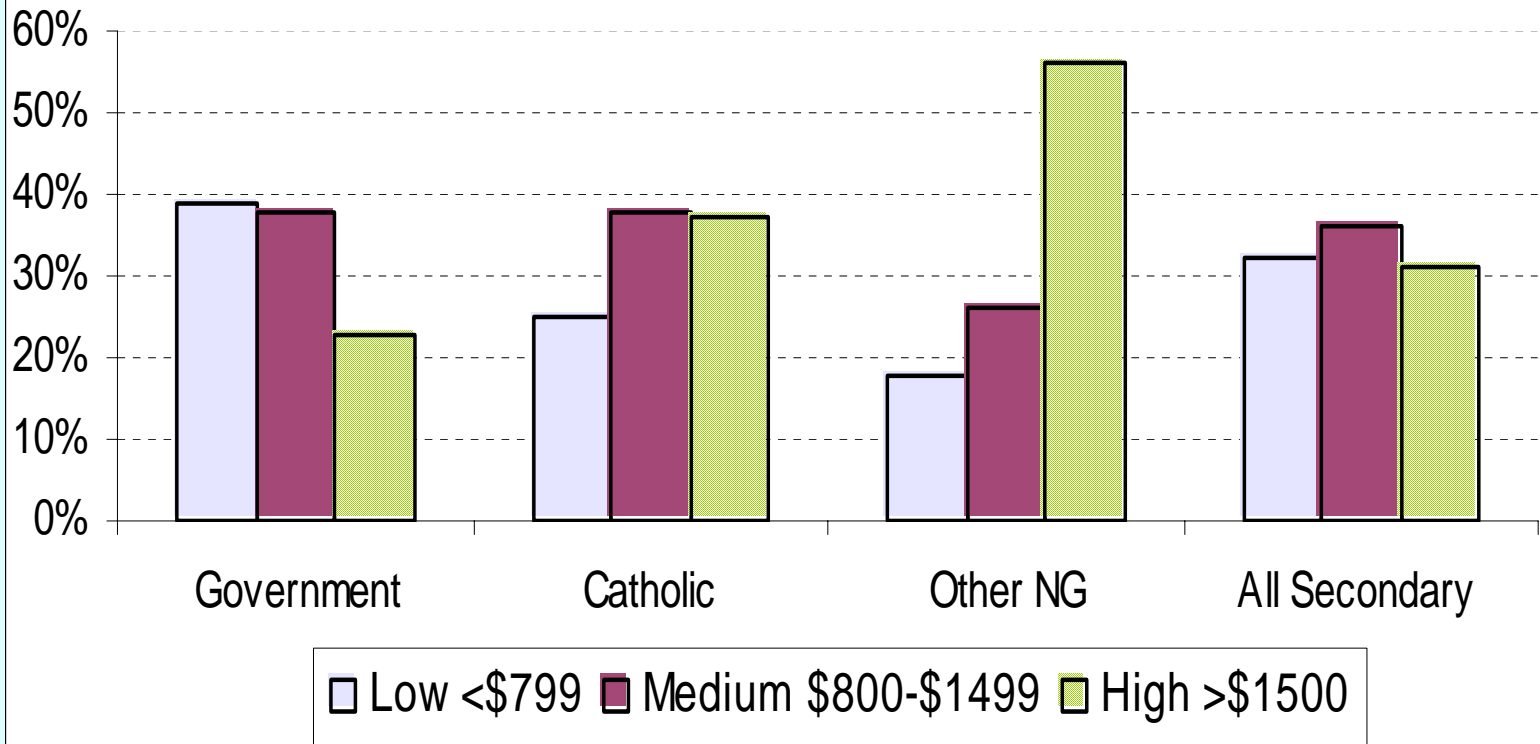
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School Attended and Family Income - Primary



Some problems with current Commonwealth funding arrangements for schools

School Attended and Family Income - Secondary



Some problems with current Commonwealth funding arrangements for schools

- Nearly 88% of Indigenous students attend public schools
 - 4.5% of students in public school are Indigenous compared to 1.4% in private schools
- 82% of students with disabilities attend public schools
 - 4.1% of students in public schools have a disability compared with 2% in private schools
- 3.2% of students attending public schools live in remote areas compared to 1.2% for private schools
 - In secondary, the figures are 2.2% compared to 0.6%



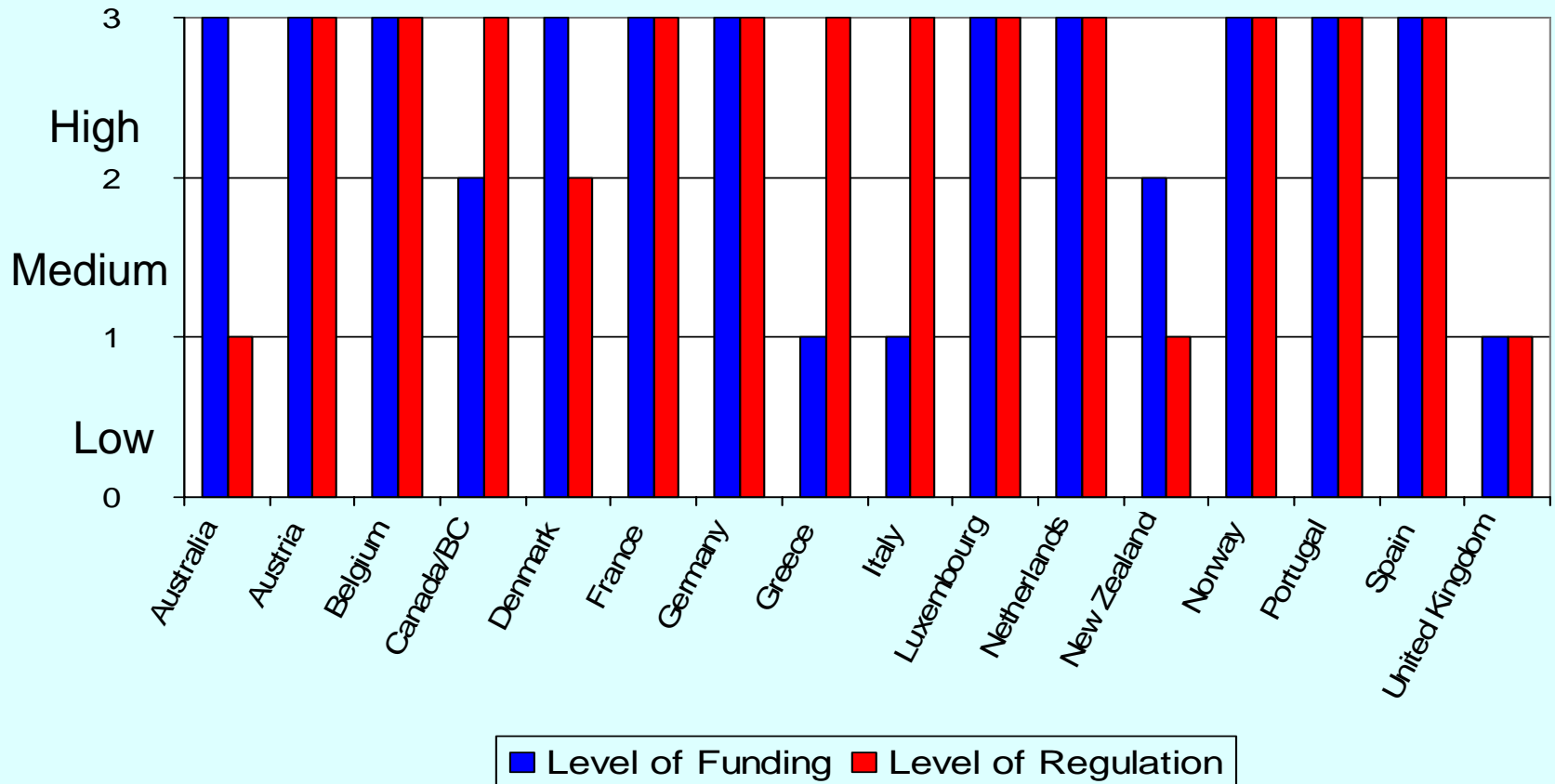
Accountability

- The current level of accountability is inappropriate and is more in line with small subsidies than massive funding
- Information on private school private income is treated as commercial in confidence when it should be publicly reported and accountable
- There is inadequate accountability in regard to selection, expulsion and exclusion
- There is no fee regulation, unlike the health sector
- Numbers, which are the basis of funding, are not properly audited



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Level of Private School Funding and Regulation in Sixteen Countries



From the Center on Education Policy (CEP) www.ctredpol.org/



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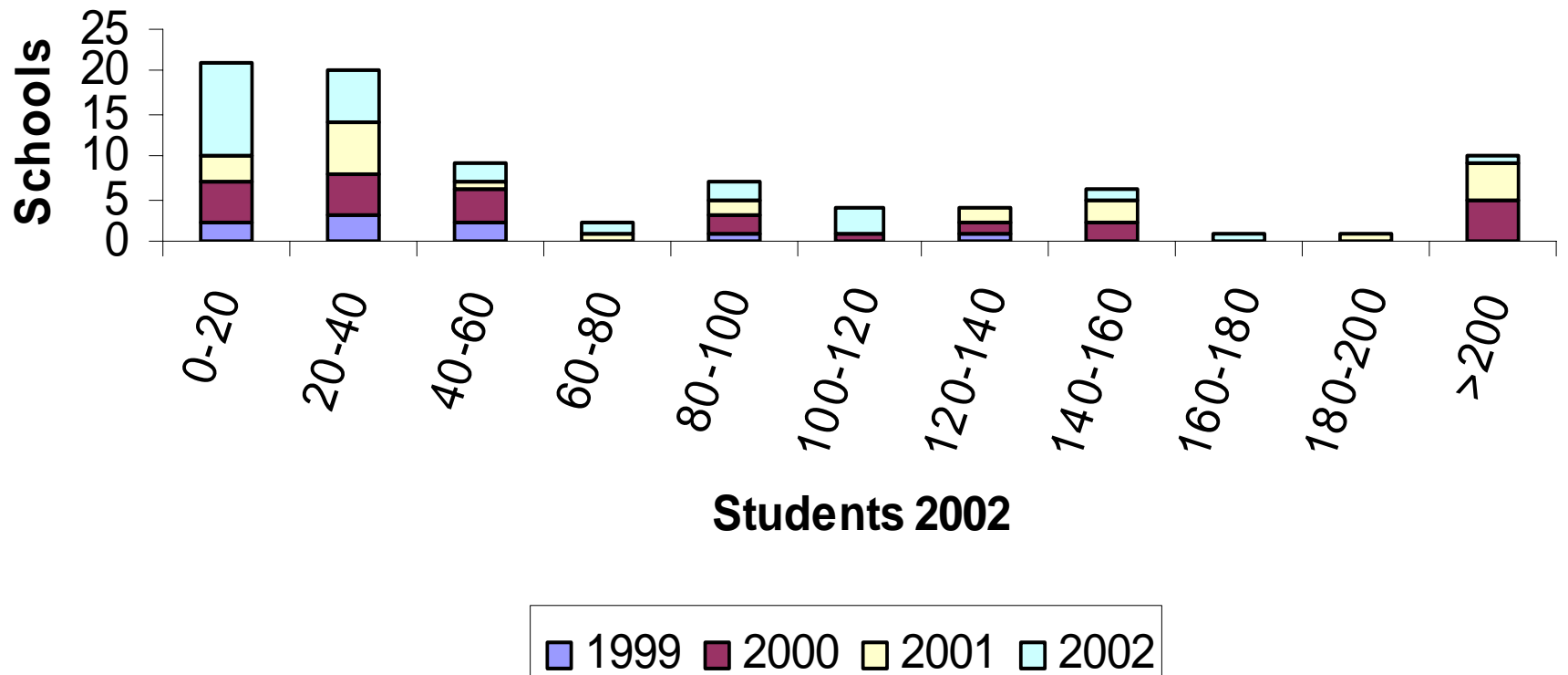
No Planned Provision and Establishment Grants

- The abolition of any planning process (in 1996) has created a supply driven situation where schools are allowed to open even where there is already an oversupply of places
- This has encouraged small and financially and educationally unviable schools to open
- The introduction of Establishment grants in 2001 further encouraged the opening of new schools
- They give an extra grant for students who move schools but not those who stay where they are
- Procedures in relation to Establishment Grants have been extremely slack and have funded schools that are not really new



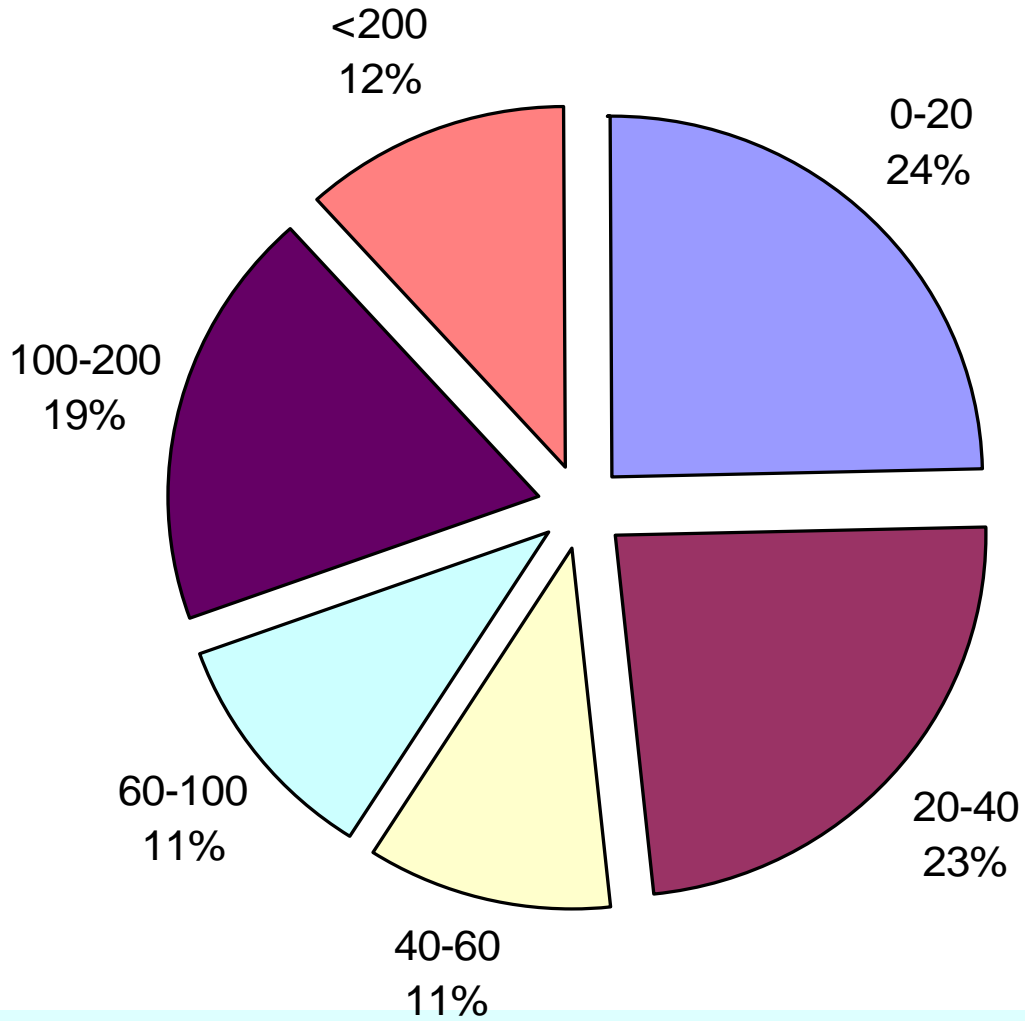
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New School Size



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7 Emergency assistance and the not for profit clause

Emergency assistance has been given to schools in connection with their for profit (overseas) activities rather than their not for profit activities;

This raises the whole issue of separating the “for profit” and “not for profit” activities, which is becoming an increasingly grey area.



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

The others are:

1. Understanding how Commonwealth schools funding works
2. Amending the States Grants Act
3. Amending the States Grants Act

They are available from the AEU website at www.aeufederal.org.au



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