



CHANGING THE STATES GRANTS ACT

The Australian Government funds schools under the States Grants (Primary and Secondary Education Assistance) Act 2000. This current act runs out in 2004, and Nelson has announced his plans for a new act, to be passed this year. This does not make the necessary substantial changes needed to the current Act. The legislation will also be an important part of the debates in the run up to the forthcoming Federal election.

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

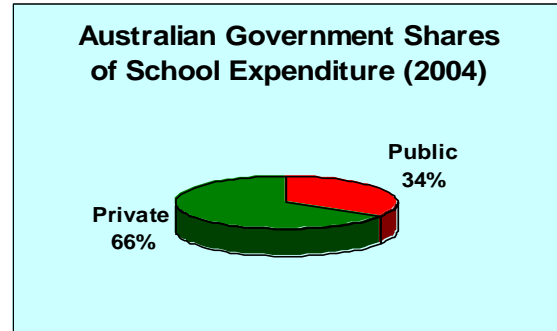
1 The Act should include a rationale which asserts Australian Government funding should:

- Ensure a primary focus on the needs of public schools and ensure fairer funding for them.
- Seek to achieve equitable outcomes.
- For private schools, be needs based.
- Take account of private school private income.
- Be based on a partnership between the Australian Government and states and territories, not a view that the Australian Government must look after private schools.

2 The share of Australian Government school funding going to public schools should be increased to make it fairer.

Currently only about one third of Australian Government expenditure on schools goes to the more than two thirds of students in private schools. (Graph 1). This must be changed.

Graph 1



- 3** The nexus with the AGSRC must be removed. Currently, private school funding is indexed to the Average Government School Recurrent Cost (AGSRC) so that if funding to public schools increases, private schools automatically get an increase. This means for instance, that if public schools increase funding for Indigenous students (nearly 90% of which are in public schools) or students with disabilities (where over 80% are in public schools), then the funding for every student in every private school, whether Indigenous or disabled or not, is also increased!
- 4** The SES Model should be abolished. It must be replaced with a model which is based on the resources available to a school. The current model is simply inequitable and does not base funding on need.
- 5** If the current model remains then it must be modified so that it:
- Is based on parents actual income, not that of the communities they come from.
 - All private schools move to a situation where they are funded on the same model.
 - Funding is capped so that schools that are already operating at superior resource levels do not receive public money.

6 Private schools should be made more accountable. This should mean that:

- 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.
- Principals and teachers should be paid on the same basis as public schools.

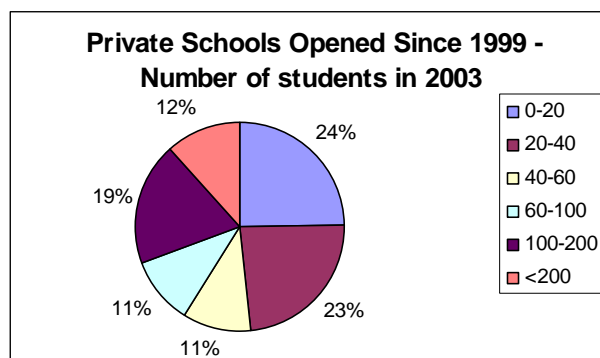
7 The Act should include measures for planned educational provision which ensure that:

- Any growth in private schools is demand driven. It should not be possible to just open a school and then advertise for students.
- New schools do not deleteriously affect existing schools. New schools should not be opened where there are already enough places.
- All new schools should be educationally and economically viable, and run by trustworthy people.
- They should be of reasonable size.

8 Establishment Grants should be abolished or at least tied to planned provision. Over 60% of the schools that have opened since the introduction

of Establishment Grants in 1999 have 60 or less students!¹ (See Graph 2)

Graph 2



9 Measures to ensure that grants only go to not for profit schools must be strengthened. Although in theory all private schools that receive grants are supposed to be not for profit, this is becoming an increasingly grey area. Whilst the actual body running the school is not for profit, there are instances where this body is clearly associated with a body which is a for profit body.

In schools which have a high proportion of international students in a for profit arm of the school, it is difficult to see how they do not benefit from the grants given on the basis of the Australian students.

There have also been cases where schools have received emergency assistance because of difficulties with their for profit operations.

For further information on these and other issues please see other Fact Sheets in this series at:

<http://www.aeufederal.org.au/Debates/schoolscampaign.html>

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¹ Roy Martin, 2003, Update on New Private Schools Receiving Establishment Grants.