



Australian Education Union

Submission on the Draft Terms of Reference for the Review of Funding for Schools

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Angelo Gavrielatos
Federal President

Australian Education Union
Ground Floor
120 Clarendon Street
Southbank VIC 3006

Susan Hopgood
Federal Secretary

Telephone: +61 (0)3 9693 1800
Facsimile: +61 (0)3 9693 1805
Web: www.aeufederal.org.au
E-mail: aeu@aeufederal.org.au

INTRODUCTION

The AEU welcomes the establishment of this important review of Australia's schools funding arrangements.

The 'Message from the Minister' accompanying the recently released discussion paper begins with an acknowledgement that the review 'marks an important milestone in schooling for this country':

How we resource schools goes directly to aspirations Australians have for the future, for their children, for their communities and for their sense of fairness in Australian society.

The AEU agrees.

However this acknowledgement is incomplete without recognition from the outset of the review of the special legal role, moral purpose and place of public education in Australian society, a recognition which must be reflected in the terms of reference which guide it.

It is essential that the principles against which Australia's schools funding arrangements should be measured in the course of the review are made explicit from the outset.

The Minister has publicly acknowledged that Australia's system of school funding "is one of the most complex, opaque and confusing in the developed world." (Julia Gillard, *National Public Education Forum*, 27 March 2009). In addition to being 'complex, opaque and confusing' the funding arrangements which deliver government funding to schools, particularly the SES-based funding model by which government funding to non-government schools is delivered, have been shown to be inequitable and unsustainable.

TERMS OF REFERENCE

Consistent with the Government's commitment that the primary obligation of government is to adequately and appropriately fund public schools, a public acknowledgement of the central and moral responsibility of governments, both Commonwealth and State/Territory, to provide public schooling of such a quality that the principle of universal access to quality education can be realised would be an appropriate starting point.

The discussion paper provides an overview of the SES-based funding model, including the Funding Maintained and Funding Guaranteed arrangements. It fails, however, to provide information on the resourcing impact of the model, such as the fact that since its introduction by the Howard Government in 2001, no school has had a reduction in its Commonwealth funding even when its entitlement assessed according to the SES of their school community would have indicated a reduction in their entitlement, and less than half of all non-government schools are currently funded at their correct SES formula amount.

It is vital that the review undertakes a comprehensive, evidence-based analysis of both the state and federal funding mechanisms for non-government schools which are based on the average cost of educating children in government schools [AGSRC] and the effects of the operation of the AGSRC and the nexus between government and non-government school funding.

This should include an analysis beyond the current funding quadrennium (i.e. 2013 and beyond) of the funding implications of the Government's commitment that no school will lose any funding.

It should also investigate and analyse the extent to which the current funding arrangements and the Government's commitments to the funding of non-government schools into the future widens the gap between resources available in government and non-government schools, particularly those private schools which have benefitted disproportionately from the flawed SES-based funding model.

The Government has publicly committed to an open and fair review, one which it says must not be 'dominated by ideological arguments or [used] as a vehicle for a broader political agenda'. It is imperative therefore to avoid public perceptions of predetermined outcomes and a bias in the review towards non-government schools, which could be suggested by the statement that from the outset that **no** school will lose any funding and that the Government desires an outcome which 'supports student attainment and distributes funding to where it is needed most, regardless of sector'.

Despite talk that Australia has moved beyond the 'old and tired' public/private divide in schooling and how considerations of schools funding should now be about some broad notion of 'the education of all children' irrespective of sector, the inconvenient truth remains that public and private schools have different purposes. Public schools are the only schools which are universally accessible for all. They have a moral and legal responsibility to enrol all students.

The Review cannot, for example, turn a blind eye to the relative exclusivity and fee structure of private schools which means they enrol a greater proportion of students from higher socio-economic status (SES) backgrounds with lower support needs. Furthermore the review must take into account the fact that it is public schools which serve the majority of low income, remote, immigrant and Indigenous students and students with disabilities and special needs.

Prior to coming to government in 2007, the then Labor opposition had an extensive history of condemnation of the SES-based funding model, a central feature of the funding arrangements which in government it has gone to extraordinary lengths to defend. Their opposition was based on significant concerns about fairness and equity in our school funding models, and the extent to which unfair and inequitable funding schools arrangements contributed to unfairness and inequity in the wider society. The Minister herself said that the Howard Government's flawed SES-based funding model was "about creating an education market in which the wealthiest have the most choice because they have the ability to buy any of the options on the table." [Hansard, August 20, 2001]

Within this context, and given the Government's wider commitment to social inclusion, it is difficult to see how a review of schools funding aimed at achieving fairness in educational outcomes can be free of broader considerations of fairness, equity and inclusivity in our society.

The AEU has noted the dot point terms of reference that the discussion paper states the "review may consider". In general, the AEU is pleased to note that the dot points suggest that the review will have a broadly defined task which will allow it to examine a range of factors and contexts of relevance in considering school funding issues.

However, for a review to be genuinely open, consultative, transparent and fair its terms of reference must be clear and explicit rather than a series of dot points (one confined to a single word) which the review 'might' consider.

The terms of reference must openly demonstrate that the Government's commitment to 'no schools losing money' is not seen by the wider community, whom the Government says it wants to hear from in the course of this review, as an acceptance of unequal 'starting points' for government and non government schools.

This requires an explicit acknowledgement of the central public purpose of schools funding; i.e. adequate and appropriate funding of public schools, the only schools open to all students irrespective of background, which makes public schooling the foundation of the principle of universal access to quality education.

The Minister's message about the centrality of schools funding to Australia's future, our children, their communities and fairness in Australian society makes it clear that this review is about the rights of all Australian children and families and the obligation of governments to them and our society.

The terms of reference must address the kinds of schools funding arrangements which will ensure the right of every family to a well resourced high quality public school in their community, which includes sufficient qualified teachers and staff to meet the needs of their students, a broad curriculum of the highest quality and a safe, modern 21st century learning environment, as a prior commitment to the funding arrangements it makes for non-government i.e. private schools.

The AEU looks forward to engaging in a review process which is genuinely evidence-based, open, public, independent and transparent, which rigorously examines both the mechanisms and effects of how our schools are currently funded, the implications of any proposed funding models for fairness, equity and equality of opportunity in schooling and for a fair and democratic society.

We suggest the following specific terms of reference for the review of schools funding.

That the Review:

1. Considers how Australia's schools funding system can ensure that the Federal Government's commitment to the primary obligation of governments to adequately and appropriately fund public schools is met.
2. Considers the funding arrangements which will ensure that the principle of universal access to quality education for all children is realised in practice and the funding arrangements necessary to ensure that all children and families have access to education of the highest quality in their local community.
3. Examines the effectiveness of the current funding model in delivering equitable educational outcomes in schools and in enabling all schools to meet the National Goals of Schooling.

4. Considers the role of funding in reducing the negative impact of socio-economic disadvantage and promoting a more tolerant, inclusive and prosperous nation.
5. Examines the impact of private sources of revenue on educational outcomes and the role of the new funding model in ameliorating the wide disparity in the capacity of local schools and communities to raise private funds.
6. Examines the funding and resourcing implications for local schools of the majority of low income, remote, immigrant and Indigenous students and students with disabilities and special needs being enrolled in public schools.
7. Considers the form of accountability and transparency measures best able to ensure the principle of universal access to quality education and fairness and equity in the funding of Australia's schools.
8. Examines the impact of an indexation system which links funding of non-government schools to the funding of government schools and considers alternatives to the current system.
9. Considers the role of the new funding system in meeting the fundamental rights of all children in Australia.
10. Examines Australia's funding arrangement in comparison with those in other high equity and high achieving nations.
11. Examines how the current funding system impacts on workforce supply and distribution and how future workforce demand can best be met.