

Funding's new rich

Critics of the SES funding model say it suits private schools—and the government's wider agenda—at the expense of public education. Fiona Sexton reports.

Commonwealth budget estimates show that government funding to private schools is on the increase while public school funding remains largely unchanged. Critics say this is likely to worsen the inequity that is endemic in Australia's education system.

Under the estimates, private schools will have won an almost 18 per cent funding increase in five years' time, compared to a public school funding increase of 12 per cent. The AEU does not believe the funding for public education represents a real boost as it will do little more than cover rising inflation.

The estimates also show that the wealthiest private schools will continue to receive large funding increases. A Senate Legislation Committee was given estimates in February that former Category 1 schools (or those classified as the wealthiest three years ago) would receive a real funding increase, this year alone, of \$11.4 million.

Many private schools are gaining a

greater share of funding as a result of the socioeconomic status (SES) funding index. In 2000, the SES model and a separate funding model for Catholic schools, joined the Education Resources Index (ERI), to create three funding options for private schools.

The Commonwealth government now calculates funding for about 30 per cent of non-government schools using the SES model, under which a school is given an SES score based on the average wealth of the census district in which its students live. The funding that schools receive is determined by their SES score.

Under the ERI system, the financial capacity of the school was measured,

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taking into account such factors as fees and school income from such sources as bequests and reserves. The Commonwealth government brought in an alternative to this because it said it found wide disparities between schools claiming similar ERIs.

However 25 per cent of independent schools are still funded on the basis of their old ERI as it gives them more money.

The postcode deception

Critics say the SES model is creating much greater inequity by not taking into account the financial capacity of private schools, such as that gained from existing facilities, investments, bequests or fees.

"Funding should be based on schools' entire income, not just a postcode," says Judith Bundy, president of the Australian Council of State School Organisations (ACSSO). "It should take into account factors like the ability of schools to raise funds from parents and alumni."

While at first glance the SES model appears to serve low SES areas, in actual fact it doesn't, says

Bundy. She says that the SES formula actually allows private schools to exclude disadvantaged students.

It's common knowledge among educators that students from low SES areas often have greater educational needs than those from more affluent areas—but Bundy says that SES funding marginalises such needs.

"For example, Aboriginal families are more likely to be living in low

formula

AT A GLANCE

- Commonwealth budget estimates show large increases in funding to the private sector, including many of Australia's wealthiest schools
- The SES funding model doesn't account for private schools' existing facilities or the fees they receive
- The funding bias will drive students out of public education, making it a "residual" system for the disadvantaged
- An OECD report shows that Australia rates well below average in educational equity

socioeconomic areas, and we know it is much more difficult for indigenous kids to do well without many more resources being put into their education," says Bundy.

By comparison, the SES formula allows wealthy boarding schools to enrol only privileged individuals from depressed rural areas, thereby gaining the high level of funding associated with the low SES area the individuals come from, without having to invest in students more likely to have higher needs.

The SES formula also allows private schools to open in less affluent areas but only accept high-performing students —while claiming a lower SES rating.

ACSSO argues that the SES formula is allowing more and more to be apportioned from the Commonwealth funding bucket to wealthy private schools that don't need the money, rather than to schools in disadvantaged areas that need it more.

And those schools are usually government schools, according to a report conducted in 2002. The NSW Vinson report found that disadvantaged students were far more numerous in public schools, with less than 10 per cent of students from the poorest 50 per cent of families attending private schools.

Australia's inequity

A 2000 international comparison of OECD countries highlights the need for this inequity to be addressed. The Programme for International Student Assessment (PISA) report found that while Australia rates 'above average' in student performance, it rates 'below average' in equity. Poor-performing students are more likely to be from low socioeconomic groups.

"Australia has a long way to go compared with some other countries in compensating for socioeconomic disadvantage," said the report.

Victoria's Public Education Group spokesperson Fiona Cochrane, says that increased funding of elite schools (most of which are private) will drive student choice in their favour, and in turn drive more funding into the private sector.

"As funding increases, the elite schools' grounds and facilities will expand further, and they will have more and more to spend on marketing and promotion," she says.

"This will increasingly sway people towards believing that private schools are a better option, even though we believe this is not true on an educational level."

AEU president Pat Byrne agrees that the progressive shift of the funding share from public to private schools



will limit choice and drive more students out of public education.

“There’s no doubt the government wants the bulk of students to be educated in the private sector, and its policies are driving the public sector to become residual; dealing with the poor, disadvantaged and isolated,” she says.

Australian Schools Lobby member John Caldecott also agrees, saying that another consequence of the funding shift is that public schools are losing their “natural mix” of students, because private schools that are increasing in wealth have a greater ability to offer incentives like scholarships.

He adds that by introducing funding models that facilitate a greater funding share to the private sector, the Commonwealth government has given its “tacit approval” to the considerably higher total amount of resources wealthy private schools now have at their disposal.

Working the options

The choice of funding options available to private schools also enables them to acquire more funding. In 2000, when the Commonwealth government made two forms of funding available to non-Catholic private schools, all these schools were automatically put on the model that gave them the biggest funding increases.

Some wealthy private schools are benefiting hugely from the SES formula. By 2004 when the SES is fully phased in, based on DEST estimates, Sydney’s Trinity Grammar will have received a boost of 247 per cent and Melbourne’s Haileybury College will have enjoyed a 278 per cent increase.

In addition, Catholic schools have a block funding method that is more lucrative for them than either formula. Under this method, all Catholic schools receive a very healthy 56.2 per cent of the AGSRC from the Commonwealth alone. (The SES funded schools listed below receive an average of 35 per cent.)

reason to believe that Catholic schools are better funded than equivalent government schools.

Byrne says that while the Catholic school lobby also argues for less funding to be made available to elite private schools, there is a risk that it will continue to gain a

“This will increasingly sway people towards believing that private schools are a better option, even though this is not true on an educational level.”

While Catholic schools vary considerably in financial resources, they are still on average doing much better than the public school sector. According to a recent Senate inquiry into students with disabilities, in 2004 the Catholic education system will have an estimated income that is more than 15 per cent higher than government school income.

While the figures have been contested there seems to be good

greater share of the funding that should rightfully go to more disadvantaged schools.

True needs-based staffing undermines Catholic schools’ rights to a greater share of funding, as the majority of poor Catholics attend government schools, Byrne says. “That’s where the most need is, so that’s where the money should be directed,” she says. ■

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THE SHAME TABLE

Funding increases to wealthy, or Category 1, schools from 2001 to 2004

School name	State	Estimated C'wealth funding 2001	Estimated C'wealth funding 2004	Increase from 2001 to 2004
St Josephs School	NSW	39,405	108,427	175%
Gib Gate School	NSW	148,190	392,170	165%
Tudor House	NSW	172,556	435,183	152%
Haileybury College	VIC	1,977,559	4,952,323	150%
Mentone Girls' Grammar	VIC	837,454	2,065,564	146%
Geelong College	VIC	1,518,162	3,737,652	146%
Trinity Grammar School	NSW	2,242,221	5,480,792	144%
Mentone Grammar School	VIC	1,105,751	2,686,671	143%
Toorak College	VIC	912,484	2,176,321	139%
The Peninsula School	VIC	1,234,792	2,942,428	138%
Geelong Grammar School 'Corio'	VIC	1,251,897	2,975,385	138%
Ivanhoe Grammar School	VIC	1,796,304	4,209,621	134%
The Japanese School in Perth	WA	25,956	59,673	129%
Presbyterian Ladies' College	VIC	1,493,584	3,368,412	126%
Ivanhoe Girls' Grammar School	VIC	1,193,412	2,685,065	125%
The King's School	NSW	1,440,299	3,231,133	124%

INCREASED AMOUNTS FROM 2001-2002 ADDITIONAL ESTIMATES HEARING, SENATE LEGISLATION COMMITTEE.