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The Secretary,
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Please find attached the Independent Education Union's submission to the Inquiry into Commonwealth funding for schools.

Many thanks for your assistance.

Yours sincerely,

Lynne Rolley
Federal Secretary



**INDEPENDENT EDUCATION UNION
OF AUSTRALIA**

**SENATE ENQUIRY SUBMISSION
INQUIRY INTO COMMONWEALTH
FUNDING FOR SCHOOLS**

June, 2004

1. INTRODUCTION

- 1.1 The Independent Education Union of Australia (IEU) appreciates the opportunity to put its views to this Senate Employment, Workplace Relations and Education References Committee inquiry into the Commonwealth's funding for schools, both government and non government.
- 1.2 The IEU is the federally registered organisation which represents the industrial and professional interests of education workers in all non-government education institutions across Australia. It has a current membership of approximately 56100 members.
- 1.3 The IEU has a strong interest in the Commonwealth's funding policy in terms of its impact on the operations of non-government schools. Clearly such policy affects the quality of educational provision to students and the professional and industrial lives of education workers in non-government schools. Government recurrent funding of non government schools is the fundamental component of the salaries and conditions for teachers and support staff employed in the non government sector.
- 1.4 All schools, both government and non-government, are important social institutions in which Australian children engage with and learn about their fellow citizens and come to acknowledge and appreciate their differences, beliefs and values. The comprehensiveness across both the government and non-government systems is a great strength of the Australian education system and should be preserved.
- 1.5 The IEU believes the history of Australian education is one which reflects the diversity and richness of the Australian society. The Australian community, with its various traditions of Catholicism and Protestantism, Greek Orthodoxy, and those of the Jewish and Islamic communities among others, has long supported the right of these cultures and traditions to establish their own educational institutions and practices.

The IEU supports such non government schooling systems on the basis that they are part of and operate on the generally understood elements of a nationally consistent education framework – including for example that they deliver the common curriculum, establish educational facilities of a reasonable standard, employ appropriately qualified staff and operate at adequate resource levels to deliver quality teaching.

- 1.6 It is important to note as well, the comparative diversity within the current state and territory public systems of education within Australia. For instance the substantial number of selective and special focus schools in NSW; the long tradition of local control in Victoria in contrast to the highly centralised control in other jurisdictions; the history of senior colleges in Tasmania and the ACT.

1.7 The IEU has made submissions to a substantial number of government reviews and committees of enquiry regarding education and funding policy and programs and related matters. These include:

- the reference on the Accountability in Commonwealth-State Funding Arrangements in Education 1994
- the McKinnon Review of the New Schools Policy 1995
- the Senate Inquiry into the States Grants (Primary & Secondary Education Assistance) Bill 1996
- Review of the Education Resources Index 1997
- The Senate Inquiry into the States Grants (Primary & Secondary Education Assistance) Bill 2000

On August 22 2000 (**Attachment 1**), the IEU appeared before the Senate Inquiry into the States Grants Bill and made a submission which in substance, looks much like this one. For the benefit of this Committee Inquiry, I have attached the transcript of evidence provided in 2000.

1.8 Given the growing tone of community anger and divisiveness in the current commentary on schools funding, it is evident that the policy settings of federal and state government funding arrangements do not meet the overall objective of a well-settled, fair and transparent education funding policy.

1.9 The IEU has worked within the forums of the ACTU to develop a positive framework of principles for education and funding policies in Australia to be advanced with the major political parties and key education stakeholders. This cooperative work was underpinned by two things: firstly, our view that the policy settings are not sound and secondly, concerns about the operation of the current SES model. The policy outcome of this work was unanimously endorsed as ACTU policy at the 2003 ACTU Congress (**Attachment 2**).

2. IEU FUNDING POLICY – KEY PRINCIPLES

The following reflect the key IEU principles for the funding of schooling to achieve equity and stability in education.

2.1 It is necessary for federal and state governments to fund the dominant public system to cater for all Australian children including those in small, rural, isolated, poor and disadvantaged communities, and NESB and ATSI communities.

2.2 Australia's education systems need to be comprehensive and to be properly resourced. Governments need to establish the actual benchmark of costs necessarily expended to provide quality education for every student to meet the MCEETYA Goals of Schooling. Such a benchmark should be used to establish the national resources standard required for schools to provide for the educational needs of every Australian student.

- 2.3 The IEU does not believe that the current SES model of funding and the political decisions made around its operation can be seen as fair and transparent.

As a funding model, it has produced significant discrepancies in the funding outcomes. For example:

- more than half of all non government schools are not funded according to their SES score
- the Catholic systems have been outside the system since its inception
- many Independent schools have been ‘funding maintained’ under the system – that is, to ensure no loss of funding as would have happened had their score been applied
- 61% of schools in the Christian sector are funded as per their SES score; 22% are funding maintained; 17% are funding guaranteed (as advised by AACCS)
- there are schools sharing similar SES levels but which attract very different levels of fees.

Such outcomes indicate a failed mechanism and essentially make the system indefensible. It also has had the effect of fuelling a sectarian tone to the funding debate across the community.

- 2.4 The IEU believes that any funding model needs to properly measure the actual resources of a school including fees, other sources of income (such as fund raising, bequests) and also take account of the income and social circumstances of families attending schools. On the basis of this information, funding should be directed accordingly.

It is also reasonable that government schools be required to provide information about the level of resources available from sources such as fees and fund raising. The community would clearly welcome a transparent system of school funding which made clear why there is a considerable disparity of resources between government schools – for example between rural/remote schools and those in urban settings; between those in wealthy suburbs and those in lower socio economic suburbs in towns and cities across the country, and between those in the same or neighbouring suburbs.

- 2.5 The majority of non-government schools (over 70%) receive over 80% of their recurrent costs from governments. They are substantially publicly-funded institutions, operating within public regulatory frameworks of various kinds, and they are fee-subsidised. On the basis of this, the IEU supports a funding policy which provides a base grant to all non government schools irrespective of school/need with further funding based on need as per 2.2.

Where the base grant should be pitched and the precise mechanism for distributing the “needs” component should be determined with reference to the national resources standard. These are legitimate issues for consultation to ensure broad consensus.

- 2.6 It is also necessary that equity measures target extra funding across all schools where the relevant student and/or school needs are identified.
- 2.7 It is necessary for non government schools to be publicly accountable on a similar basis as government schools. Accountability and reporting for both government and non government schools should go to issues such as:
- Financial accountability including the acquittal of public funds in accord with the purposes of such funding
 - Registration and re-registration of schools in accord with the state-based legislative requirements. The IEU believes that there should be some consistent framework of standards governing the regulation and registration of government and non government schools across all jurisdictions
 - Teacher qualifications in accord with the various state based registration authorities
 - Reporting to parents and the community under nationally agreed protocols.
 - Participation in testing and reporting regimes under nationally agreed protocols
- 2.8 The IEU considers that public funding policies which underpin both government and non-government schools and systems, and which facilitate access by citizens to a variety of schooling traditions, should embody principles of equity and be focused on the common good.

Accordingly, choice of schooling should be funded within a framework of mandatory common curriculum, participation in common certification and assessment schemes, the operation of a broad regulatory scheme which is transparent and operates comparably across all schools, a resource standard that is fully funded in public schools to deliver the goals of schooling to all students, funding allocative mechanisms for non-government schools which distinguish genuinely on the basis of need with reference to the resource standard, and appropriate planning mechanisms which set benchmarks for school provision.

3. TERMS OF REFERENCE

Inquiry Terms of Reference

(a) The capacity of all schools to meet current and future school needs and to achieve the Adelaide Declaration (1999) on National Goals for Schooling in the Twenty-First Century.

- 3.1 The capacity of government and non government schools to meet both current and future school needs in accord with the National Goals For Schooling is fundamentally dependent on appropriate levels of government funding.
- 3.2 A fair and proper approach to needs based school funding requires the assessment and establishment of the national resources standard necessary for the provision of quality education to all Australian students.

- 3.3 Mechanisms should be in place which provide for an ongoing review of the national resources standard, in light of changes to education policy and the priorities and challenges confronting schools, and the actual costs which such changes impose on schools when meeting such challenges.

In particular, this means that resourcing must take account of the needs of schools – both government and non government - in regional and remote areas and areas of educational and socioeconomic disadvantage to ensure the equitable provision of education across all schools.

- 3.4 At the very local level, how do parents weigh up issues such as the adequacy of a school’s teaching and physical resources; its comparative educational performance including matters of class size and subject offerings; the pattern of student learning outcomes at particular schools; the suitability of the school for their particular child/children?

The following is from a recent report in the Melbourne media. It was in relation to parents choosing a government school:

“.....With the deadline looming for parents to decide which secondary school they want their year sixers to attend next year, anxiety is running high for thousands of families across the state.

.....For many parents, the decision follows months of school open nights, tours, information sessions and discussions with friends and relatives.

"It's all-consuming," said Tamzin Benjamin, who has spent a year looking at schools such as Northcote High, Princes Hill Secondary and University High for her eldest son, Tom. "Every parent that I know who has a grade 6 child, it's all that we've talked about . . . We'll be relieved it's coming to an end."

.....Principals at some top government schools say they have seen an increase in the number of families giving false addresses, claiming to live near the school.

Reports have also emerged of parents who have offered bribes to estate agents to draw up fake leases, and of families that buy or lease houses in a school zone only to sub-let them after their children have secured a place.

The demand is particularly high for leading government schools where academic results often match those of many high-profile private schools..... ”

(The Age, June 7 2004 “The New Class Struggle” Farrah Tomazin)

Another article on the same day **“Learning the Hard Way in Dilapidated Schools”** (Andrew Webster) canvasses the following:

".....A meeting of 19 Dandenong school council presidents last week concluded that thousands of schoolchildren were being taught in "very poor, dilapidated and outdated facilities".

"Even the cost of basic maintenance for these poor facilities is now beyond the reach of many schools," they concluded.

Cleeland Secondary College is one of those Dandenong schools....

The Government gives Cleeland an annual maintenance and minor works allocation of about \$40,000. Half that amount has to be spent on improvements identified by government audit, leaving about \$20,000 annually for maintenance such as leaking roofs and warped doors and windows. In common with many Victorian schools, there are plenty of those at Cleeland.

.....Resourceful staff have resorted to building their own office space in closed-off corridors, even constructing tables and shelving out of old woodwork projects.

At Dandenong High School, again the impression is of a well-run, well-funded school. There is a new gym and drama building completed in 2000. It replaces the old hall, which had a roof so low pupils could not play basketball. But the school itself secured all of the hall's \$1.3 million funding. And it paid close to \$100,000 the same year to extend the library; and \$28,000 to asphalt the courtyard, replacing buckled and dangerous concrete.

School council president Alan Collier has no idea where \$140,000 to replace the 95-year-old main school building's foundations will come from; or when the 1940s all-aluminium Bristol Building, freezing in winter and with such poor ventilation and air-conditioning it is literally stinking hot in summer, will be replaced...."

Obviously a similar set of articles comparing rich and poor non government schools can be found for this debate.

- 3.5 These and many similar articles provide the grist for the public-private funding debate in the community and illustrate the following:
- The rich and the poor and those in between inhabit both the government and non government schooling sectors
 - The contribution which flows from family and neighbourhood advantage to schooling choice and academic success is clearly evident in both sectors.
 - The meaning of terms 'public' and 'private' are not easily defined when applied to schools given the funding arrangements.
 - There is a need for some finer critical judgement in the synonymous use of 'community' and 'public' when talking about schooling. Most non government schools provide some public service as is the case for public schools. It is also the case that varying principles of selectivity operate in a number of government schools.
 - In typical community schools – whether government or non government – class sizes, teachers' salaries, the range of subjects taught, teacher workloads and so on are largely governed by the level and distribution of public funding. Similarly, the costs of training and paying teachers in both government and non government sectors, of providing adequate teachers for schools in

terms of both quantity and quality continue to be funded, in the main, from public funds.

- 3.6 Is there a problem with Australian schooling? The Australian Program for International Student Assessment (PISA) Report indicated that the results for Australian students compared very favourably with the best in the OECD. In reading literacy, mathematical literacy, and scientific literacy Australian students performed well ahead of most OECD countries.

However, the PISA report also confirmed current research (Teese, 2000; Flanagan 2002) that in Australia socioeconomic background is a very important determinant to student achievement. It found that variance in achievement between schools is largely explained by differences in socioeconomic background at both student and school levels. Geographic location, street address, socioeconomic status, employment and family income to a very significant extent influence academic success.

There is a call from all sectors of the education community for increased resourcing to all levels of education. Professor Mary Kalantzis (2002) notes that expenditure on pre school education is well below that of OECD countries (.1% of GDP compare with .4%) – early childhood participation levels are amongst the poorest in the OECD and is declining. In primary education teachers work more contact hours than those in any other of the twenty five nations examined by the OECD (2001) and structural inequality is evident. Secondary retention rates are low.

These reports indicate a very considerable problem in the resourcing of schooling. Unless there is funding policy which addresses such inequity, the MCCETYA National Goals of Schooling – which represent the broad consensus of the aims and goals of Australian schooling – cannot be delivered.

(b) The role and responsibility of the Australian Government, in partnership with state and territory governments, for quality and equity in public funding for government and non-government schools across Australia and for promoting efficiency and effectiveness in the allocation of public funds for schooling, including effects on enrolment trends in the government and non-government sectors;

- 3.7 Constitutional responsibility for the provision of education lies with State and Territory governments. The Commonwealth government runs no primary or secondary school in the country and employs no teacher or school support staff.

Its role with regard to the nation's schooling lies principally with funding responsibilities it has undertaken in relation to some of the recurrent and capital costs of government and non-government schools and for targeted programs in both the government and non-government sectors, and the consequent political influence that such funding provision gives to the Commonwealth in terms of policy and program direction.

- 3.8 An issue of considerable concern to the union is the lack of transparency in the interrelationship of the funding arrangements between the Commonwealth and States/Territories. A result of this is the way the public debate in relation to school funding can be manipulated to advantage a particular line of argument because of this lack of transparency.
- 3.9 The glaring problem in the funding policy is the lack of coordination and shared rationale between the Commonwealth and State levels of funding. There exists no defensible, logical set of policies embracing the different funding regimes at the Commonwealth and state/territory levels. In relation to the states and territories, it is extraordinary that there are different funding mechanisms, at least in respect to non government schools, without any apparent rationale. This issue requires critical and urgent attention.
- (c) **The effectiveness of accountability arrangements for state, territory and Federal governments' funding of government and non-government schools;**
- 3.10 Equity and efficiency principles require appropriate policy for effective accountability regimes. These regulatory frameworks should be set up by state governments and not conflict with Commonwealth government requirements. All funds from government sources should be appropriately acquitted, accounted for and reported on.
- (d) **The application of the framework of principles for the funding of schools that has been endorsed by state and territory governments through the Ministerial Council on Education, Employment, Training and Youth Affairs.**
- 3.11 In light of the above, the IEU supports the work being carried out by MCEETYA through its Taskforces on the resourcing of schools. This work demonstrates there is capacity for governments across all state jurisdictions, in concert with non government schooling authorities, to do common work to achieve common outcomes in relation to national resourcing standards and statements.
- 3.12 The IEU supports the development of Commonwealth and state funding regimes in accordance with the MCCETYA Framework for Resourcing of Schools, noting that while this Framework has been in place for some time, it still has not evolved. The union looks forward to a national statement on the resourcing standard necessary for the access of all students to the national goals – and the consequential negotiation of adjustments to federal and state funding arrangements to deliver this access in a fullsome and transparent way.