

**INDEPENDENT EDUCATION UNION**

**SUBMISSION TO THE**

**SENATE STANDING COMMITTEE ON**

**EMPLOYMENT, EDUCATION AND TRAINING**

**ACCOUNTABILITY IN COMMONWEALTH-STATE**

**FUNDING ARRANGEMENTS IN EDUCATION**

**MAY 1994**

## EXECUTIVE SUMMARY

The concerns dealt with in this submission touch generally on all three terms of reference of the Inquiry. However, the main focus of attention is the second: the implications of Commonwealth funding arrangements for schools for the quality of, and equity of access to, primary and secondary education. The comments relate to the three major categories of funding: general recurrent grants, capital grants programs and targeted assistance and national priority activities. References to accountability (term of reference one) are embedded in the discussion concerning the second term of reference.

- Stability of funding is essential. A four year basis for categorisation to apply is satisfactory but should be sufficiently flexible to allow for redress of anomalies.
- While different categories of funding are still needed, cognisance should be taken of private levels of funding.
- Priority in funding should be given to schools which have not reached the former Community Standard.
- The disparity in funding between primary schools and secondary schools should not be so marked.
- Funding targets to be achieved by the year 2000 should be based on a review in 1994-96.
- In the assessment and allocation of funding for both recurrent and capital purposes all interested stakeholders including education unions and parents should be involved collectively in the processes including the management of Block Grant Authorities.
- Detailed, fair accountability procedures are supported.
- The 'principle of need' should determine the distribution of funds and accountability mechanisms of Commonwealth, State and Block Grant Authorities.
- The Commonwealth's cost supplementation should continue.
- The Commonwealth will need to make provision in the capital grants allocation for demands on education appropriate to the 21st Century.
- To achieve the most cost effective use of resources more collaborative planning should be undertaken by the Commonwealth, State and non-government authorities. Such planning should explore co-operative use of resources.
- The data from which decisions about new schools is made should be available to all interested parties.

- Targeted assistance and national priority activities are endorsed (see 3.1 - 3.9).
- The involvement of the Commonwealth at the post-compulsory level of schooling is endorsed. Additional funds are needed for this work but not at the expense of other levels of schooling.

## INTRODUCTION

The Independent Education Union of Australia (IEU) is a federally registered union representing all education employees working in non-government schools. Included in its membership are principals, teachers and various categories of clerical, administrative and educational support staff employed in primary and secondary schools; and teachers working in some private pre-school settings, Life Education Centres, Business Colleges and Language Schools.

The IEU has a membership of 40,000 education workers.

The IEU supports a dual system of education whereby parents have choice between schools in both government and non-government sectors. The union endorses the view that non-government schools are entitled to financial support from governments. The union is vitally concerned with Commonwealth funding with regard to its impact on the operations of non-government schools as they affect the education of children and the professional careers of teachers.

The IEU supports the Commonwealth objectives for schooling as set out in the DEET publication COMMONWEALTH PROGRAMS FOR SCHOOLS 1993 (AGPS), particularly the aim 'to maximise the competence, efficiency and confidence of teachers through inservice teacher training, improved career paths for teachers and other means'.

The IEU notes the relatively low level of education expenditure in Australia as compared with other OECD countries. In the most recent OECD Report, Australia is shown as spending only 5.5% of the GDP on education and appears well down on the list of OECD countries on this matter (**Education at a Glance: OECD Indicators**, December, 1993).

The union supports the 1.8% increase in real terms proposed in the States Grants (Primary and Secondary Education Assistance) Act of 1993 and urges that the momentum of this improvement be maintained on a longer term basis; in particular, to at least the year 2000.

# TERMS OF REFERENCE

## CATEGORIES OF FUNDING

### 1.0 GENERAL RECURRENT GRANTS

The IEU noted the principles relating to resource standards summarised in the Schools Commission Report **Funding Policies for Australian Schools** (Canberra, 1984) based as they are on the analysis of schools' needs outlined in the accompanying document **Commonwealth Standards for Australian Schools** (Canberra, 1984). It noted also the continuing commitment to the notion of the "Community Standard" given by the Government in the ministerial statement "Funding Arrangements for Non-Government Schools to the Year 2000" (19 February).

The IEU saw the standard as having the advantage of assessing schools against the resource needs identified on a clearly defined educational basis and of making clear the standards the Commonwealth decided upon as being appropriate objectives of the community during the funding period.

The union notes the abandonment of the notion of the "Community Standard" entailed in the new legislation. It also notes that supplementation of levels of financial assistance will be based no longer on the Schools Price Index but on the Average Government Schools Recurrent Cost Index (AGSRC). The implications of these shifts have yet to be determined in practice. For example, the effect the cost cutting measures of various State Governments in relation to education will have on the AGSRC will have to be monitored and determined. It also needs to be pointed out that in the non-government sector currently, expenditure for certain items is drawn from the GRG in a way that does not occur in the Government sector (for example, superannuation and long service leave).

The IEU has concerns about the wide differential that continues to be applied in the per capita funding of primary and secondary schools. It argues that according to the "principle of need" more funds should be directed to the crucial earliest years of compulsory schooling.

With a view to promoting equity of educational opportunity and outcomes, the IEU endorses the following:

- 1.1 That stability and security in Commonwealth funding be maintained through the ongoing four year 'rolling' funding scheme;
- 1.2 That in the allocation of funds the "principle of need" will continue to be rigorously applied.
- 1.3 That the effect of individual State Government actions on the AGSRC Index be closely monitored with a view to ensuring that schools are not disadvantaged with respect to Commonwealth funding.

- 1.4 That a multi-category scheme (such as the current twelve categories) for General Recurrent Grants linked to the “principle of need” continue to apply as proposed for the years 1994 - 2000.
- 1.5 That the momentum set by the 1.8% increase in real terms for categories 5-12 for the years 1993 to 1996 be accommodated in the Commonwealth forward planning for the years 1997 to 2000 so that by the year 2000, with the co-operation of the non-government school/system authorities, all schools will have been given the opportunity to overcome any disadvantage.
- 1.6 The IEU has concerns regarding the schools currently categorised at levels 8 to 12 that have not achieved what was regarded in the past as the “Community Standard”. Such schools are to be found in both the government and non-government sectors and addressing such inequity should be a Government priority. Consideration should also be given to a sliding scale of real increases at all levels of funding.
- 1.7 That the assessment of a school’s financial needs continue to be measured by the level of that school’s capacity to generate private income (using the Education Resources Index).
- 1.8 That the wide differential between per capita funding of primary and secondary schools be examined with a view to redressing possible educational disadvantage to the primary sector.
- 1.9 That in the allocation of funds , the over-riding importance of the compulsory years of schooling as emphasised by the Schools Council be recognised; in particular, that the importance of the earliest years of schooling be recognised [**(The Compulsory Years: A Snapshot of the Early Years of Schooling** (January, 1992); **The Compulsory years: The Middle Years of Schooling** (December, 1992); **The Compulsory Years: Developing Flexible Strategies in the Early Years of Schooling: Purposes and Possibilities** (August, 1992).]
- 1.10 That during the period 1994-96, the Commonwealth, in consultation with all the interested parties, review the funding levels to schools in the light of changes in the education system and the challenges confronting schools; that the outcomes of this review form the basis of any revised funding target to be achieved by the year 2000.
- 1.11 That in the assessment of schools’ needs and the allocation of Commonwealth funds, the concept of “partnerships” between the Commonwealth, the States and the non-government school/system authorities apply; and that within each sector, and particularly within the non-government sector, structured consultative processes involving all interested parties, including the education unions, be mandatory in such assessment of needs and the allocation of funds. In this way, accountability to all the stakeholders in the education venture is likely to be promoted.

- 1.12 That there continues to be rigorous, but fair, accountability procedures for systems and schools in order to ensure that government money is spent appropriately according to resource needs. The current rigorous procedures for schools in the non-government sector ensure that funding is spent for the purposes intended. Such accountability procedures must reflect an equitable approach for both the government and non-government sectors. This comment is directed at the current Financial Questionnaire which is biased against non-government schools because it classifies gross income from school excursions as assessable in determining funding levels. (These requirements do not apply to government schools). The Financial Questionnaire should be amended to exclude income which is essentially a transfer payment.
- 1.13 That within each sector where a system authority operates, such authority be obliged to endorse and implement the “principle of need” in the internal allocation of funds.
- 1.14 That in the allocation of Commonwealth funds, the existing mechanisms for distribution and accountability be through the Block Grant Authorities; but that the representative character of such Authorities be extended so as to ensure broader community participation. In particular, that education unions and parent organisations should be represented on such bodies. Such a broader involvement of interested parties would more likely serve the public interest.
- 1.15 That the Commonwealth continues to provide cost supplementation to maintain the real level of grants; and that the basis for this supplementation be monitored.
- 1.16 That with respect to re-categorisation of schools/systems, the notion of a re-assessment of the adequacy of funding categories on a four-year basis seems appropriate. However, some flexibility should be possible to overcome unforeseen adverse circumstances affecting some schools.
- 1.17 That all schools/sectors continue to have access to an independent appeals mechanism in the event of a perceived grievance regarding categorisation.

## **2.0 CAPITAL GRANTS PROGRAM**

The IEU notes the findings of the Schools Commission regarding capital funding outlined in the **Review of the Capital Grants Program** (March, 1985). It takes note of the statement relating to the Secondary Support Program in the ministerial paper “Funding Arrangements for Non-Government Schools to the Year 2000”. It is cognisant of the provisions in part 3 of the States Grants Act relating to Capital Grants.

In the light of these documents and the experience of its members the IEU endorses the following proposals:

- 2.1 That in the non-government sector the Capital Grants Program continues to be project-based and that current guidelines provided in **Commonwealth Programs for Schools: Administrative Guidelines** published on an annual basis continue to apply for building and equipment grants, leasing grants and loan guarantees.
- 2.2 That in the allocation of such grants the existing mechanism for the Capital Grants Scheme using Block Grant Authorities continue to operate; but that the representative character of such BGA be extended so as to ensure broader consultation and participation in the decision-making process by which moneys are allocated; in particular, that the parent organisations and education unions be represented on such bodies. The IEU believes that in this way there will be greater public accountability in the allocation of Capital Grants moneys.
- 2.3 That in the allocation of such grants the “principle of need” continues to operate at both Commonwealth and State levels and within each sector.
- 2.4 That in the assessment and allocation of Capital Grants, broad and **formally structured consultative processes involving all interested parties**, including the education unions, be a requirement at State and sector/school levels.
- 2.5 That the current funding levels for the Capital Grants Program be increased in line with new educational demands. In particular, that the Capital Grants levels reflect the new spatial requirements imposed on schools as a result of new educational philosophies, and new curriculum design and classroom pedagogies.
- 2.6 That, where appropriate, the link between the “principle of need” with respect to General Recurrent Grants and the Capital Grants Program be acknowledged.

As regards the **Secondary Support Program** the IEU takes account of the dramatic increase in the retention rates to Year 12 which has resulted in large numbers of additional secondary students attending both government and non-government schools.

It also takes note of the proposal relating to this matter in the paper “Funding Arrangements for Non-Government Schools to the Year 2000” (Nos. 8-11) and is cognisant of the new legislation on the point:

However, the IEU also endorses the concerns expressed in the Report commissioned by the Schools Council **Social Infrastructure and Social Justice: Resources in Australia’s Disadvantaged Schools** (1991) regarding the impact of the increased retention rates on the junior classes at the high

school level. The document highlights the extent to which lower classes may be disadvantaged in their access to space and equipment by the increased retention rates for Year 12 students.

In the light of these documents the IEU urges:

- (a) That the Secondary Support Program operate from the basis of an injection of **additional** funds into the system.
- (b) That in the review of the Capital Grants Program regarding the funding levels that should operate under the Program from 1993 onwards, the challenges confronting schools at the upper secondary level which arise from increased retention rates and from new and expanding curriculum needs be taken into account.
- (c) That the Secondary Support Program should operate to ensure that the increased retention rates at Year 12 do not have an adverse effect on students in the junior secondary classes as regards access to space and equipment.

Regarding the establishment of new schools, the IEU notes the findings of the Report of the Schools Commissioners **Planning and Funding Policies for New Non-Government Schools** (March, 1985). It is aware of the guidelines in the document **Commonwealth Programs for Schools** and the provisions of the new legislation regulating this matter in order to achieve a better rationalisation of resources the union recommends:

- (i) That co-operative planning involving a long-term approach take place between Commonwealth, State and non-government school/system authorities and that the formal organisational structures for such planning be strengthened. Thus, wastage of resources and unnecessary duplication of facilities may be avoided.
- (ii) That the avenues for the sharing of resources and funding between the various sectors/systems/schools be further explored; and that formal State-based organisational structures to implement such sharing of resources be set in place.
- (iii) That broad consultative processes involving all interested parties be instituted wherever it is intended that a new school is to be established.
- (vi) That the data-base on which decision-making regarding the establishment of new schools is carried out be extended and made available to all the interested parties.

### 3.0 TARGETED ASSISTANCE AND NATIONAL PRIORITIES ACTIVITIES

The IEU supports the following Commonwealth initiatives:

- Broadbanded Equity Program
- Quality Schooling Program
- Key Competencies Program
- National Professional Development Program

The union endorses the notion of a **Broadbanded Equity Program** whereby agreements relating to targeted groups are negotiated between the Commonwealth Government, the States and the systemic/school authorities in both the government and non-government sectors. The union is in agreement that the groups identified in the Program are, in fact, the disadvantaged ones.

With respect to this program it urges the following:

- 3.1 That real funding levels be maintained over the life-time of the program.
- 3.2 That the consultative procedures provided for in the program be monitored in order to ensure full implementation at the State and system/school level.
- 3.3 That the program be regularly reviewed in the light of the “principle of need” so as to ensure that the access of genuinely disadvantaged students to educational opportunity and guaranteed learning outcomes is achieved.
- 3.4 That the strong link between educational access and learning outcomes typical of the program continues.
- 3.5 That rigorous accountability procedures apply regarding the allocation of resources and the delivery of programs.

The union endorses the initiatives proposed in the ministerial statement **Teaching Counts** (1993). It welcomes particularly the emphasis on teacher and leader professional development opportunities provided for in these programs. It sees a strong link between student learning outcomes and teacher training. It is supportive of the notion of the **National Curriculum Statements and Profiles** seeing them as a means of ensuring common educational goals and objectives for all Australian students. The IEU endorses the submission-based nature of many of these programs as a means of ensuring the high quality of the programs offered. Likewise, the union is in agreement with the notion of “partnerships” embodied in these programs.

With respect to the **National Professional Development Program** in particular, it urges:

- (a) That in the consideration of the submissions proposed by organisations/system authorities, the structured cross-sectoral

participation rates in such programs be closely monitored in the implementation phase so as to ensure genuine opportunities for access to all interested teachers.

- (b) That the cross-sectoral representative nature of the State Committees set up to process the submissions in the initial phase continue; but that the composition, operation and procedures of these committees be such as to ensure a proportional influence of the various sectors represented on the committees.
- (c) That the brief of the State Committees be extended for the life-time of the project so as to include the task of monitoring proportional cross-sectoral participation rates and the quality of program delivery.
- (d) That the broad consultative processes which preceded these initiatives continue to be a feature of such Commonwealth funded initiatives.
- (e) That the notion of “partnerships” between teacher organisations, higher education institutes and employing authorities continue to be endorsed in such programs.

The IEU supports the notion of the Key Competencies embodied in the document **Young People’s Participation in Post-Compulsory Education and Training** (1991) and the work of the Mayer Committee (1992). It sees these as among the national priorities. It recognises the need for links to be established between the school sector, private industry and the TAFEs. It endorses the idea of schools developing curricula that will cater for both general educational and vocational needs.

However, at the same time, the IEU endorses the concern of the Schools Commission that improvements at the secondary level should not be achieved at the expense of the primary sector (**Funding Policies for Australian Schools**, 1.27; **Participation and Equity in Australian Schools**, 1983). Likewise, it supports the concern of the Schools Council expressed in the document **Social Infrastructure and Social Justice: Resources in Australia’s Disadvantaged Schools** (1991), that improvements in the upper secondary level should not disadvantage the lower secondary and the primary sectors.

In view of these concerns the IEU proposes:

- (a) That the involvement of the Commonwealth in the provision of post-compulsory education entail a substantial injection of **additional funds** into the system.
- (b) That the Commonwealth’s role in post-compulsory education and training should not entail a “siphoning off” of resources to the upper secondary and tertiary levels at the expense of the lower levels of schooling.

- (c) That the relativities in funding respective to the primary, secondary and tertiary education sectors be constantly reviewed in accordance with the “principle of need”.

The IEU considers that the funding arrangements provided for in these proposals will promote equality of educational access and outcomes for all students and will ensure the stability and security schools/systems required for effective future planning at the same time as providing for broader consultative procedures and greater public accountability.