

SUBMISSION NO. 5 *AN*
Inquiry into National Funding Agreements



AUSTRALIAN PARENTS COUNCIL Inc.

The national federation of organisations representing parents of students attending non-government schools to achieve choice, quality, equity and voice

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Submission to the Joint Committee of Public Accounts and Audit
Inquiry into National Funding Agreements

The Australian Parents Council (APC) is the national organisation representing the parents of students attending non-government schools.

APC has significant concerns about the use of national agreements in their current form as the basis for funding arrangements between the Commonwealth and State and Territory Governments for the following reasons:

- APC believes that the consolidation of funding sources through the COAG National Partnerships regime has been a failure. Delivery of Australian Government funding through that mechanism has been inconsistent between states and territories. In many instances non-government schooling authorities have been required to 'compete' with government schools for funding on an inequitable basis. Often State and Territory Ministers for Education perceive themselves to be ministers for public schools. There have been instances where they have determined the proportional allocation of national partnerships funding between the government and non-government school sectors from the perspective of 'competitor' with the non-government sector;
- There is a distinct lack of transparency and accountability in respect of how Commonwealth funding, meant to achieve specific purposes, is allocated or spent by the States and Territories. The focus on the performance of the States and Territories in meeting outcome targets as a performance measure has appeared to lead towards them adopting 'minimalist' approaches to inputs as opposed to approaches that seek to maximise benefits;
- The locking up of Commonwealth funding to the States and Territories for periods of up to ten years is manifestly excessive and reduces the Commonwealth's capacity to respond flexibly to changing circumstances and priorities;
- There is a lack of effective sanctions in cases where a State or Territory might fail to meet its obligations in respect of achieving appropriate outcomes from the expenditure of Commonwealth funding. Current measures essentially amount to little more than the Commonwealth being a toothless tiger in seeking to pursue maximum value for its funding dollar; and
- The national partnerships regime significantly diminishes the Commonwealth's capacity to be a driver of reform and innovation in the development and delivery of programs aimed at addressing national policy issues.
- Approximately \$40 billion is invested annually in schooling yet, to the best of our knowledge, an efficiency audit in respect of how federal, state and territory funds allocated to schooling are spent has never been formally conducted.

The Building the Education Revolution program highlighted the fact that large amounts of money can be wasted by government bureaucracies and APC is of the opinion that general recurrent funding expenditure processes would not be exempt from wastage and inefficiency.

If bureaucracies use an inordinate percentage of funds in their administration this should be revealed and the funds diverted to the schools they serve.

In an article published in *The Australian Financial Review* on 17 August 2010, John Daley and Ben Jensen from the Grattan Institute argued that Australia spends more per student on school education than the average for Organisation of Economic Co-operation and Development countries, but the spend has not been well targeted.

An investigation into how much of the money allocated by governments to schooling actually reaches classrooms, how much is diverted into other areas such as bureaucracies and research that has no useful outcomes and whether such funds are in fact being usefully and efficiently applied should be a primary area of focus for the current Inquiry.

We would be happy to speak further in respect of this submission.

IAN DALTON

Executive Director

8 April 2011

Reference

Daley, J and Jensen, R (2010). Strategy that gets top marks. In *The Australian Financial Review* (p 63) Tuesday 17 August.