



**Australian Council of State School Organisations Ltd**

**Submission on  
Australian Education Amendment (Direct Measure of Income) Bill  
2020.**

**March 2020**

## Contents

Introduction .....	<b>Error! Bookmark not defined.</b>
About us .....	3
Policy .....	3
This submission .....	3
Contact details .....	7

## Introduction

The Australian Council of State School Organisation (ACSSO) is pleased to have the opportunity to make comment on the Australian Education Amendment (Direct Measure of Income) Bill 2020.

## About us

ACSSO represent the interests of the families and communities of more than 2.4 million children attending government schools in Australia. We are one of the oldest continuously operating parent organisations in Australia and possibly the world. We were formed in 1947 to bring together various state and territory parent groups to develop national policies reflecting the way families wanted public education to be offered for their children. Over time there have been some changes in the way our members in states and territory peak parent groups have approached national issues, so membership has occasionally varied. Currently we have six members.

## Policy

We believe that the primary obligation of governments, both Federal and State, is to establish and maintain government systems of education which:

- will be of the highest standard and open to all, irrespective of race, gender, religion, social-economic status, geographic location, disability (physical or intellectual);
- can respond to changing circumstances and can develop the flexible and diverse programs necessary to meet individual needs;
- discriminate in favour of those schools and individual students facing disadvantage and/or disability;
- provide for participation by parents and community at all levels of education decision making.

## This submission

Let us acknowledge at the outset that whilst ACSSO supports a parent's right to choose what education facility their child attends, our policy is clear that government funding should first

and foremost be for the provision of world class resourcing to our nation's government schools.

We reiterate that should governments choose to fund all sectors of education then funding should be:

- fair (based on needs);
- simple (easy to understand the methodology, no special deals);
- and transparent (information publicly available in a form that is easily understood and provides ALL funding sources).

However, we note that much of this bill is a special deal and we feel it undermines the principle of fairness we expect.

We feel that the Bill raises a number of questions. For example, in examining the level of taxpayer dollars to a private enterprise we also raise the following questions: should the public funding to private education only apply to ensure that the school can basic education provision according to the Australian Curriculum? Should it just provide for the teaching element?

We acknowledge that current calculation of the SES funding model for non-government schools is not specific to the families its serves but rather the SES of the community the families are drawn from. The calculation does not consider the more affluent families that reside in the area. This can be particularly misleading in our rural and remote areas.

As we stated in our response to the [Review of the Socio-Economic Score Methodology \(February 2018\)](#) there are some key elements that should inform the Capacity to Contribute should consider:

- *the capacity of the **actual families** using private school service.* Basing any funding on anything other than the capacity of the individual families involved will always open the formula to criticism and scrutiny.
- *the weightings be based on family capacity to earn; their income.* Family income can be masked by the ability to negative gear; reduce tax
- *family education levels; family occupation.* Education levels are not only an indication of capacity to earn but capacity to support the learning; also, opportunity is provided to the young person through networking of families.

- *a validation process that is not confined to just ABS data; ABS data can often reflect a negative income when family is affluent. Whilst ABS data is informative it can also be inaccurate*
- *where parents live in separate households - (often both households are contributors to the child's education – the capacity to contribute in these instances often are underestimated). Both parents are required to contribute to the child's education and therefore this should be taken into the calculations particularly when seeking government funding for private education*
- *should be reviewed no less than every three years. The data changes and this would be a minimal time – ABS data is insufficient as currently collected every five years – that's only twice during a child's time at school. As an example to reflect on, the NSW Priority Schools program collected their data and reviewed their funding allocation every three years*
- *that it be transparent and publicly available. When assessing the funding to the non-government sector there should also be an understanding that if a school is already receiving sufficient funding i.e. greater per student than the local public school is any form of government funding necessary – are we funding need?*

Fees charged by many private schools meet or exceed the recurrent costs of making adequate provision for its students as measured by the SRS. Should there be additional government funding provided to these schools at all? Why are we spending millions in a "transition phase?"

Whilst this measure in particular is about a family's capacity to contribute should there not be consideration be given to the resources and wealth of the individual school to support the family. Schools in the non-government sector often have additional sources of income that are unavailable to the public system. They often have income from capital assets and other income generating assets not related to education, they are often beneficiaries of very handsome bequests, they have deductible gift recipient status and as such attract donations from Alumni, commercial sponsorships, scholarship trusts etc.

The Bill states *"To provide schools with time to transition to the new measure, non-government schools which are transitioning down to an 80 percent Commonwealth share of SRS will have an extension of two years, from 2027 to 2029. All non-government schools will also have their starting Commonwealth share reset from 2020 to 2022 to ensure schools are not unnecessarily disadvantaged by moving from the SES methodology to the new direct*

*measure of income*". We find this time frame excessive especially since these schools have been reaping excessive funding for years if not decades.

Of particular concern is the mode of distribution. If you are going to introduce a formula that identifies the financial need of an individual school, it is essential that allocated for that school reaches that school directly. Providing it to a centralised bureaucracy (a sector) with power to distribute as they see fit will only result in some schools being over funded whilst other schools continue to be short changed. This practice has been evident, particularly in the Catholic system for some time – what guarantee can the Federal Government give that it won't continue – transparency in funding is key to truly addressing need

We note with considerable concern the following:

*As a result of the changes, total Commonwealth recurrent funding for non-government schools will increase from an estimated \$13.1 billion in 2020 to \$19.1 billion in 2029 (an increase of 45.7 per cent with an average annual growth rate of 4.3 percent). Funding arrangements for government schools are unchanged. Total Commonwealth recurrent funding for government schools will increase from an estimated \$8.7 billion in 2020 to \$13.4 billion in 2029 (an increase 54.2 percent with an annual average growth rate of 4.9 percent).*

Compounded is the fact that in the funding agreements negotiated with the various states and territories imbeds that our government schools will only ever reach 95% of the School Resourcing standard

Again, we see a considerable increase to the non-government sector with no corresponding increase to our nation's government schools. International reviews have proven that the Australian school system is one of the most unequal and socially segregated among the rich countries of the world.

This is not a recent finding. During the last decade, evidence from abroad and findings in our own studies have called for a change of course in policies — and the politics behind them — that drive school education in Australia

International data shows that those countries that have addressed inequities in funding score better in international ranking scores and have better life opportunities for their youth.

Australia is no longer among those progressive and future-looking education systems. Internationally, we are seen as having a conservative, ineffective and outdated school system.

The Choice and Affordability fund further imbeds inequities into the Australian Education System and risks Australia to firstly slide down the OECD ranking but more importantly widen the equity gap in access to education opportunities that afford all young Australians to become the best they can be

[Contact details](#)

Dianne Giblin

Chief Executive Officer

March 12, 2020