



Senator The Hon James McGrath  
Chair, Education and Employment Legislation Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

12 March 2020

Dear Senator McGrath

**Australian Education Amendment (Direct Measure of Income) Bill 2020 [Provisions]**

This submission is made by Anglican Schools Corporation, which is the Australian Government's approved authority for the Anglican Schools Corporation group of schools.

We are thankful for the opportunity to make this submission and would be pleased to engage further with the Committee, should this be of assistance to its deliberations.

Anglican Schools Corporation (ASC) has a history of service in Australian education, and currently operates 17 schools across 19 campuses involving some 15,000 students and 2,500 staff. It is a provider of affordable-fee schooling in the wider Sydney area, as well as in regional NSW centres such as Dubbo, Orange and Nowra. ASC partners with local communities, the NSW State Government and the Australian Government in offering affordable, quality education for families in a wide variety of circumstances and socio-economic backgrounds. ASC has experienced significant growth over the last 20 years – from five schools to 19 campuses. Our current plans, based on long-term income and capital projections, would see existing and new schools adding a further 3,900 students over the next decade.

ASC seeks to grow its educational offering through the establishment of new schools – particularly in the growth corridors of south west Sydney, for example, with a new school at Leppington well-advanced in the planning stages.

ASC's educational offering complements those available for families via the government school system and Catholic systemic schools. Over recent years, we have sought to extend this offering – whilst seeking to moderate our schools' fee increases so that they remain affordable for schools' local communities. In this regard we are grateful to the Australian Government, in particular, for its continuing financial assistance by way of general recurrent funding.

In 2018, the Australian Government announced that it would implement a new 'capacity to contribute' (CTC) methodology in the calculation of the Government's needs-based funding arrangements for non-government schools' general recurrent funding. The new direct measure of income (DMI) methodology is based on the median income of parents or guardians of students at each non-government school.

ASC is not making this submission in respect of the DMI methodology, per se, but we do have significant concerns regarding the longer-term financial effects at a school system level and the impact on our plans to increase the number of students in our schools.

ASC's analysis of the effect of this proposed change on recurrent funding for the ASC group of schools indicates that, over the transition period (2022 to 2029), ASC schools will receive \$59 million less in general recurrent funding compared with the entitlement which would have applied under the current CTC funding legislation.

This will impact negatively ASC's capacity to expand our offering of affordable, quality education to families across a range of socio-economic backgrounds.

In addition, the impact of the change to CTC is, in our case, directly at odds with the objective of providing for the anticipated growth in student numbers – according to recent demographic projections – which indicates a pressing need for more schools (both in the government and non-government sectors).

ASC recognises that, under the 'Choice and Affordability Fund', some monies will be made available to 'non-government representative bodies' (rather than to non-government school authorities) to assist with the transition to DMI funding. However, for the non-Catholic sector in NSW, it is unclear how the amounts available will address DMI associated difficulties – with those amounts being provided to the Association of Independent Schools NSW in respect of submission-based projects, rather than being directed (at least, in part) to non-government school authorities which have responsibility for the operations of numbers of schools.

While some groups of non-government schools – for example, Catholic systemic schools – are, perhaps, better placed to manage funding variations (by virtue of their sheer scale), smaller systems, such as the Anglican Schools Corporation system, are concerned at the apparent impact of the DMI change and the capacity of the system to respond and continue to expand the educational offering.

Accordingly, given the extent of the impact of the proposed change on the ASC schools group, we seek respectfully from the Australian Government:

1. further consultation with Anglican Schools Corporation, as the school authority for the ASC system of schools, regarding the ongoing impact of the proposed change to utilise the DMI measure – particularly with regard to the establishment of new schools – prior to the implementation of the change to CTC;
2. an acknowledgment of the unique position of school systems (rather than non-government representative bodies, in general) – particularly smaller systems – in managing the funding variations across a group of schools consequent to the proposed change to CTC, and;
3. an extension to the proposed transition period, whilst consultations take place and to facilitate consequential changes to planned school growth.

We reiterate that we would be pleased to engage further with the Committee, should this be of assistance to its deliberations. To this end, I may be contacted on \_\_\_\_\_ or at \_\_\_\_\_

Yours faithfully

Ross Smith  
Chief Executive Officer