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Thursday, 12 March 2020

Committee Secretary  
Senate Education and Employment Committees  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary,

I write to you regarding our concern of the changing funding methodology and its impact on St Paul's Grammar School.

We are extremely concerned that we have moved from a school that has been regarded as an underfunded school in the current funding arrangements, to a school which has a funding reduction in real terms under the new methodology. St Paul's Grammar School will move from its current SES of 102 to 110 in the new system. A move of 8 points is a significant shift and will have large implications for our school. I understand that the magnitude of this shift is much larger than the vast majority of schools.

St Paul's is situated in the west of Sydney and is philosophically committed to setting fee levels that are as affordable as possible to enable the widest cross-section of families to have access to the school. The school has been offering the International Baccalaureate (IB) for over 20 years and offer all three programs; Primary Years Program (Pre K – 6), Middle Years Program (7-10) and Diploma Program (11 -12). In addition to this, we also offer the local state credential (HSC) to Year 11 and 12. We are the only school in the greater west to offer the IB.

If the school has a funding reduction then we would be forced to increase fees, which would mean that many families who already make significant sacrifices and stretch themselves financially to attend the school would be unable to continue their enrolment. It would also significantly reduce the ability of families with lower financial capacity to enrol in the school putting the school in a continual loop of fee increases. The result of this would be restricting enrolment to those families with an increased financial capacity resulting in an even higher SES level and a further reduction in funding meaning the school would need to increase fees. This ongoing cycle moves the school away from its strong philosophical commitment to providing a choice of education to as broad a demographic as possible.

We believe the school has some unique characteristics that need to be taken into consideration when looking at the overall equity of the new funding model.

- We have a larger than normal demographic spread for a metropolitan school which decreases the correlation between the median (DMI method) and mean (expected to be more representative) socio-economic measures unfairly increasing the resulting measure of the Capacity to Contribute for our enrolled families.

- We are located in an area verging on substantial population growth (new Western Sydney Airport and surrounding areas), with the areas destined for the largest growth representing many of the lower socio-economic scores within our catchment. A substantial increase in our SES may lead to price increases that may make enrolment at St Paul's cost prohibitive to much of the new population in the catchment.
- Additionally, we provide an important choice for families in choosing the school education for their children as we are a Christian Independent School servicing a demographic that is predominantly affiliated with Christianity.
- Supporting the above points we have a Demographic study from November 2019 that indicates the following information about our current student population:
  - It is drawn from 14 Statistical Area Level 2's (SA2s) across 2 Local Government Areas (LGAs)
  - It is drawn from SA2s with a wide range of socio-economic (SEIFA) scores from 1086 down to 926 with only 4 of the 14 SA2s ranking in the top 25% of scores
  - It comes from a catchment with a combined median household income of \$90276 pa (2016 data) which is slightly less than the Sydney median of \$90792 pa.
  - The catchment area has a religious affiliation of 63% Christianity (2016)
- Outside of the demographic factors for our catchment we also provide a vital choice of education for families as the only International Baccalaureate (IB) school in the greater west of Sydney.
- The school offers a relatively high level of fee assistance to families in order to improve the affordability for families in our catchment. We provide discounts of more than 15% of our gross tuition fees. These discounts acknowledge the need to improve affordability for families in our catchment area and are indicative of the wide spread of capacity within the existing enrolled families.
- Indicative information from fee collection by our accounts receivable team clearly shows that many families within our community do in fact struggle to meet their commitments to our existing fee structure. These families have a strong desire to enrol their children at St Pauls because of our key differentiators of choice, being Christian ethos, pastoral and co-curricular offerings and academic excellence through the IB programme.

We believe that St Paul's Grammar School has some unique circumstances that have had led to it being detrimentally effected by the new funding methodology. This significant funding change has the potential to fundamentally shift the philosophical basis of a school like St Paul's which currently provides a unique educational offering to the greater west of Sydney. Any school with a significant change in funding due to a new methodology needs to be further investigated and not just subsumed by a potentially inadequately tested and non-transparent new funding methodology.

Yours gratefully,

Ian Wake  
Principal