



# Senate Education and Employment Legislation Committee

Inquiry into the *Australian Education Amendment Bill 2017*

## Submission by

Christian Schools Australia (CSA)

Adventist Schools Australia (ASA)

For further discussion regarding this submission please contact:

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## Introduction

Christian Schools Australia (CSA) and Adventist Schools Australia (ASA) are national bodies that support and represent schools for whom religious formation is an integral part of the education process. In combination, CSA and ASA schools educate around 80,000 students across more than 180 locations nationally.

The schools are geographically, culturally and educationally diverse, although they serve predominantly middle to lower socio-economic communities. While mainly in the metropolitan or outer suburban fringe suburbs of major capital cities a number are located across regional and rural Australia.

The average socio-economic status (SES) score of these schools is **below the non-government school average**, reflecting the affordable-and-accessible philosophy which underpins these schools.

Member schools of CSA operate as *independent*, locally governed, religious organisations. Some are closely aligned with one or more Christian churches in their communities, while others have their heritage in a group of parents coming together to start a school.

ASA schools operate on a *systemic* basis as part of the wider Adventist Church, which educates more than 1.6 million students globally.

## Recurrent Funding Principles

CSA and ASA strongly endorse the need for adequately resourced schools across all sectors as a vital foundation to ensure that the educational needs of all Australian students are met. Our organisations have held that position consistently since the initiation on 15 April 2010, by the then Minister for Education, the Hon Julia Gillard MP, of what was described as the first widespread review of funding for schooling since 1973. This review became known as the Gonski Review.

In submissions to that Review and subsequent ongoing discussions around funding our organisations have supported a ***nationally coordinated*** and ***sector blind*** funding approach for all schools. We welcomed the recommendations of the Gonski Review, which largely reflected our funding principles including that equity, a fair go, must be at the heart of any funding approach. Our submissions to the Review, and subsequent joint proposal outlined in Appendix One, argued that

- All Government funding must be allocated in a fair and equitable manner.
- Equitable funding mechanisms must address the differential needs of students including those with disabilities, indigenous or non-English speaking backgrounds and those at risk because of poverty, mental illness, extreme social dislocation or remote location.
- An allocative mechanism based on fairness and equity must provide for a level of Government support for all students.

We also emphasised that future funding must have sufficient ***certainty*** and ***predictability*** to allow appropriate school planning. This is necessary for large systems such as the State and Territory provided schools but also even more vital for non-systemic schools or schools in smaller systemic structures. The effects are particularly evident in those schools at the lower end of the socio-economic spectrum and heavily reliant upon such funding, such as those in membership of our groups.

Many Adventist and Christian schools, located in disadvantaged metropolitan, regional, rural and remote areas without the greater scale of the larger systems, are dramatically affected by any lack of certainty of future funding. **We warmly welcome the certainty and predictability of recurrent funding represented by the Government's *Quality Schools* funding package and reflected in the amendments proposed by the *Australian Education Amendment Bill 2017*.**

***We request that the Committee acknowledge the importance of certainty and predictability for funding for all schools.***

### Recurrent Funding Formula

The amendments proposed by the *Australian Education Amendment Bill 2017* make only minor changes to the funding formula at the heart of the current *Australian Education Act 2013* (Cth). The only substantive amendments to the funding formula proposed by the Bill are:

- The replacement of the 3.6% fixed indexation rate of the base per students amounts with a rate of 3.56% to 2020 and a floating rate thereafter, clause 8 of the Bill;
- Setting a legislated target for the 'Commonwealth Share' of the School Resource Standard, and a legislated transition path, clause 16 of the Bill;
- Introducing a legislated transition path to, clause see changes undertaken in equal instalments over the transition period to replace the minimum increase of 4.7% for currently 'underfunded' schools and 3% annual increase for 'overfunded' schools, 16 of the Bill
- Modification of the students with disabilities loading, clause 17 of the Bill; and
- Modification of the capacity to contribute percentages for primary students, clause 36 of the Bill.

These changes serve to **enhance the alignment of the core funding formula with the broad principles enunciated in the initial Gonski Review** and provide a sustainable, transparent basis for the calculation of the School Resources Standard determined for an individual school. The changes proposed by the Bill are a **refinement of the existing formula for determining need**, not a radical reshaping of that assessment.

The approach taken in the *Quality Schools* reforms of setting a consistent percentage of the calculated School Resource Standard to be funding by the Commonwealth and the introduction of the legislated transition path are welcomed. This will **ensure** that the current relative inequities across jurisdictions by the end of the transition period in 2027. While each school will remain on an individual transition path determined by their current funding, as is the case under the current legislation, the legislated target and transition path provide much greater clarity and transparency than is presently the case.

However, it must be acknowledged that legacies of these inequities will remain through the transition period. In particular schools in South Australia will not experience the rapid growth promised under the initial '*Better Schools*' funding arrangements agreed between the Commonwealth and the South Australian Government. Accordingly, **the Government's commitment to address inequities in the funding of Year 7 students in South Australia receiving a secondary education is essential** and we look forward to considering the applicable amending regulations.

***We ask that the Committee affirm their commitment to sector-blind, needs-based Commonwealth funding for all schools reflected in a legislated funding formula based on the principles established by the Gonski Review.***

## Student with Disabilities

Achieving fairness and equity in the funding of students with disabilities (SWD) has been the highest priority for our schools over nearly two decades. After an initial pilot of a student focussed form of portable additional funding during the Howard Government era the Nationally Consistent Collection of Data on school students with disability project (NCCD) commenced under the former Labor Government has developed a broadly accepted classification of levels of educational adjustment.

The transition from an interim loading for SWD under the current funding arrangements to the tiered loadings for students with disabilities adopted in the Bill is **a significant and long overdue step to achieving greater equity for those amongst the most vulnerable in our schools.**

We acknowledge that there is clearly still further work to be undertaken in refining the data collection under the NCCD approach, although note the progress reflected in quality assurance reports on collections to date. We are confident that any lingering concerns about the comparability of data and robustness of the process can be addressed through consistent national guidelines, increased training and robust verification processes.

While we are awaiting the release of regulations detailing the specific per student amounts at each level we commend the Government for taking this step and introducing the tiered loadings. Our schools look forward to receiving these loadings reflecting the level of adjustment needed and allowing them to determine how best to meet those student needs at a local level.

***We recommend the Committee particularly consider the impact of funding changes on students with disabilities across all sectors and strongly endorse the Government's adoption of a tiered loading approach building on the NCCD data.***

## Capital Funding

As we have indicated previously, the Gonski Review process was disappointing in relation to capital funding. This was not as comprehensively addressed as other areas of funding a despite the needs in this area. Data from the Commonwealth Department of Education and Training along with research released in 2015 from ACER confirms the need. The ACER report projects the number of additional primary classes required **each year** until 2020 showing that:

- Victoria is likely to require 448 additional primary classes **each year**
- Queensland has the second highest need with an anticipated 443 classes **each year**
- New South Wales is projected to require 385 additional primary classes **each year**
- Western Australia is likely to require 351 additional primary classes **each year**

With demand for enrolments in non-government schools far outweighing government schools over the last three decades, many parents will be wanting these classes to be available in non-government schools not only State and Territory provided schools. These needs will not be met under the present capital funding arrangements for non-government schools, with the result of increased pressure on State or Territory provided schools to ensure those places are available.

The amendments in the Bill which will link capital funding to non-government schools to the growth in non-government school enrolments, clause 37-39 of Schedule 1, are very welcomed. However, this

change will only ever reflect 'catch up' funding for growth already catered for within schools. It will not, of itself, be sufficient to accommodate the significant growth identified above.

In addition to the increase in the pool of funding for non-government schools proposed in the Bill further, innovative funding approaches need to be considered. In our view a wider range of options than are presently available could provide the Commonwealth with a greater 'bang for its buck' in incentivising private capital investment in community-based non-government schools. Solutions such as means-tested or capped interest subsidy schemes, tax incentivised bonds or community finance initiatives should be explored. This is an area where, if certainty can be secured in relation to recurrent funding, education stakeholders would welcome a detailed review and further reform.

***We encourage the Committee to recommend that the Government establish an Expert Panel to review the imminent capital needs of schools in Australia and develop a range of appropriate, cost effective funding mechanisms***

#### In conclusion

In order to

- Provide the certainty and predictability of funding needed by all schools,
- Ensure the equity that arises from a sector-blind, needs-based Commonwealth funding reflected in a legislated funding formula based on the principles established by the Gonski Review; and
- Finally address the inequities related to funding of students with disabilities by the adoption of a tiered loading approach building on the NCCD data.

**We call upon the Committee to recommend the swift passage of the *Australian Education Amendment Bill 2017*.**

## Appendix One

### Equitable, Predictable, Sustainable

Christian Schools Australia and Adventist Schools Australia, together with Australian Association of Christian Schools prepared a joint proposal for school funding entitled **Equitable, Predictable, Sustainable** which was circulated to all major parties in November 2015. This document, available on request, contains six recommendations reproduced below:

**RECOMMENDATION ONE:** *All parties make a clear commitment to a needs based, sector blind, student focussed allocative mechanism consistent with the full implementation of the current approach under the Australian Education Act 2013.*

**RECOMMENDATION TWO:** *The Commonwealth and State and Territory governments negotiate updated transitional arrangements that would see implementation of the current funding arrangements achieved by 2021 - 2025*

**RECOMMENDATION THREE:** *The Commonwealth implement a fully-funded loading for students with disabilities ensuring the same quantum of additional funding for all students with the same assessed adjustment need from 2016.*

**RECOMMENDATION FOUR:** *The Commonwealth commit to continuing its role as a major funding contributor having a direct relationship with the non-government sector.*

**RECOMMENDATION FIVE:** *The Commonwealth commit to continuing its role as a leader and facilitator in developing and sustaining National educational reforms.*

**RECOMMENDATION SIX:** *The Commonwealth establish an Expert Panel to review the imminent capital needs of schools in Australia and develop a range of appropriate, cost effective funding mechanisms.*

That proposal also indicated:

*'... any approach needs to be **equitable**, the notion of a 'fair go' for all is foundational to our national character. Schools are also desperately looking for a **predictable** financial base to allow secure planning for the future. In a tough economic and fiscal environment, any approach also has to be **sustainable**. This is understood and accepted.'*

These recommendations and principles have underpinned our consideration of the *Australian Education Amendment Bill 2017*.