

Statement to the Senate Select Committee on School Funding Public Hearing - Hobart

The Hutchins School, Sandy Bay, TAS

Points for consideration related to an equitable, stable and consistent funding model for independent schools

- The Hutchins School is a not-for-profit institution, which is set up and governed on an individual school basis and is truly independent. Unlike other sectors, the school does not rely on central bureaucracies or bodies and is separately accountable to The Hutchins School Board and the parent and school community.
- There is a common perception that independent schools are large, urban schools which cater only to high income families. In fact, ninety per cent of independent schools are low to medium fee establishments which cater to the full spectrum of Australian society. Tuition fees for a Senior student at The Hutchins School is an all-inclusive \$14,800pa; Early Learning Centre is \$9,380 Junior School years 3-6 is \$10,640 and Middle School is \$11,860. I believe these figures are below the cost of schooling similar levels of students in Government schools.
- The majority of funding for The Hutchins School comes from private sources, predominantly parents, public funding and in particular Commonwealth Government funding is of critical importance to the school. Changes to Commonwealth school funding arrangements impact at the individual school level and are therefore a high stakes issue for this school.
- Funding models also need to acknowledge that there are fundamental difference between the funding and governance arrangements of government schools (which are fully publicly funded and generally centrally regulated) and non-government schools such as The Hutchins School (which is part publicly funded with substantial parental contributions and in many cases operate independent of any centralised control).
- In the matter of school funding I wish to note that reference to 'national' school funding arrangements is misleading. The current funding arrangements are far from national and calls to 'implement Gonski' are perpetuating this myth. With each state and territory and the Commonwealth Government operating different funding arrangements across all three schooling sectors, there are at least twenty seven funding models in operation – a more complex situation that existed previously.
- Independent schools such as The Hutchins School represent an efficient use of public funding for school education, providing an incentive for parents to contribute their after-tax dollars to support their children's education, resulting in significant savings to government and maximising the utility of public funding to support school education. I believe The Hutchins School is an exemplar of the value of independent schooling choice that should be available to parents
- I am very concerned that the new funding arrangements are structurally unsuited for implementation in The Hutchins School. The Hutchins School operates as stand-alone entity, and to do so it needs funding arrangements which are stable, predictable, simple and transparent, and are responsive to changes in circumstances

and enrolments. These criteria are essential to allow schools like The Hutchins School to undertake prudent financial management and forward planning.

- The new funding arrangements are complex, opaque, volatile and inflexible. At The Hutchins school we have had difficulty navigating our way through the complexities of proposed models are impossible to easily explain to my Board, parents and staff and difficult to understand.
- The Hutchins School believes that **new** funding arrangements were implemented in haste before the data essential for its effective operation was available. The data for the majority of loadings is not sufficiently accurate, complete or fit-for-purpose. This has produced a reliance on 'proxy measures' and 'interim loadings' which do not target the correct students and miss out on identifying large numbers of eligible students who should be included in schools' SRS calculations. At The Hutchins School there is a real concern as to the equitable funding of students with disability and learning needs.
- I note a critical element of the negotiations with the former Government was an agreement reached that total public funding (or for non-signatory states - Commonwealth funding) for schools would increase by at least three per cent under the new funding arrangements. Payments received thus far indicate that this commitment is not being met at this time for The Hutchins School.
- Unlike the 900 non-systemic Independent schools, Government systems and Catholic systemic schools are not obliged to fund their schools according to the new funding arrangements, but are able to continue their long-standing capacity to redistribute funding according to their own methodology. This means that the only schools in Australia funded according to the new funding arrangements are the 900 non-systemic independent schools (the schools where the model is least effective). The Hutchins school is one of those schools. The other 8,500 schools are either government schools or part of non-government systems.
- My concern for The Hutchins School is that because school systems can redistribute their funding, it mitigates some of the problems of the model in terms of its volatility and uncertainty to provide systemic schools with a greater degree of funding certainty and stability. Independent schools receive their funding directly from governments, so there is no capacity to redistribute funds to address the flaws in the model.
- The capacity of school systems to redistribute funding means that, despite the rhetoric, government schools can (and have) suffered reductions in funding, even in states which are 'signatory' states is unfounded.
- The negotiation process was a difficult environment for the independent sector. The former Government's key objective was to secure 'sign on' from all state and territory governments. Independent schools were not a key priority or focus of either the negotiations or the structure and implementation of any model.

- The Government has committed to funding only the first four years of the arrangements and Minister Pyne has indicated that in the final year of the current four year funding period, the Government will enter into new four year funding agreements with all states and territories and non-government sectors. It is my hope that the concerns raised here will be attended to as a model for funding agreements is devised.
- Future funding arrangements should:
 - continue the Commonwealth Government's proven track record of ongoing funding security to The Hutchins School through its direct funding relationship;
 - adapt or replace the current funding arrangements to more closely align with criteria for effective school funding models;
 - be based on reliable, robust data which is fit-for-purpose;
 - provide a base level of funding for all students in independent schools based on relative need;
 - recognise that some types of educational disadvantage are not effectively addressed by loadings provided directly to individual schools;
 - recognise that independent schools such as The Hutchins School strike budgets for a calendar year and that the implementation of government policies in schools incurs an implementation on-cost to those schools that are non-systemic. Recent initiatives in policy by governments have had to be attended to as unbudgeted items against a relatively fixed income per annum.
- It is my hope that any government should acknowledge and support the role of independent schools like The Hutchins School in accommodating the significant growth in school enrolments by providing additional capital assistance. Without the capacity of the independent sector to leverage private capital investment, governments will struggle to be able to meet future demands for school enrolments.
- Philosophically, as Headmaster of The Hutchins School, I believe that all Australian schools should be funded appropriately to ensure all students have equal access to educational opportunity. However, as long as systems are able to redistribute funding according to their own priorities, the Commonwealth Government will never be able to ensure students in government schools are adequately resourced. This will always then be dependent on the priorities of the additional bureaucratic layer of state governments.

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