

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

## **Inquiry into Commonwealth Funding for Schools**

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24 June, 2004

The Secretary  
Senate Employment, Workplace Relations &  
Education References Committee  
Suite SG52  
Parliament House  
Canberra, ACT 2600

Dear Sir,

## **INQUIRY INTO FUNDING FOR SCHOOLS**

### INTRODUCTION

Scotch Oakburn College is a co-educational, ELC to grade 12, day and boarding school operating on two campuses in Launceston, Tasmania. We are affiliated with the Uniting Church. Key data:

- Enrolments                    Approximately 1,020
- SES                                104 (will be 103 in next quadrennium)
- Established                    In 1979 through amalgamation of MLC/Oakburn (1886) and Scotch Oakburn (1901).
- Enrolment policy            Open to all

### FUNDING PROFILE

#### Recurrent Funding

In 2004 it is anticipated we will receive the following "public subsidy" towards our recurrent operating costs.

	Australian Government \$ per student	State Government \$ per student	Total Government \$ per student
Pre Year One to Year Six	2,800	1,100	3,900
Year Seven to Year Ten	3,400	1,500	4,900
Year Eleven to Twelve	3,400	2,000	5,400

In addition to these 'per capita' grants we receive:

1. Some assistance for very needy students through the SAISO program. Whilst beneficial this funding is very inadequate for meeting the needs of these students.
2. \$7,300 for support of teaching LOTE from the Australian Government.
3. An interest subsidy from the State Government. It is expected this will be in the order of \$80,000 on long-term loans for capital works of \$3.2 million.

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### Capital Funding

All funds for capital development (facilities, buildings, major refurbishments, plant and equipment, ICT etc) is paid for by parents; either from any so-called operating surplus or by borrowings.

Very occasionally the College might be fortunate enough to receive a grant for a capital project from the Australian Government via ISBGAT, the Tasmania Block Grant Authority.

### Government contribution of our full educational expenditure

We have calculated the current public (i.e. Australia and State Government) contribution towards the full (recurrent and capital) annual per expenditure per student as follows:

	Total Expenditure \$ per student	Contribution from parents \$ per student	Contribution from Gov't \$ per student	Contribution from Gov't % of total
Years One to Six	10,900	7,000	3,900	36%
Years Seven to Ten	14,600	9,700	4,900	34%
Years Eleven to Twelve	15,400	10,000	5,400	35%

Note: The "total annual expenditure" excludes donations from members of the school community.

### KEY POINTS

1. School education is an important public good. Governments, both nationally and at state and territory level, have a responsibility to provide each Australian child – no matter what their family background or what school they attend – with a reasonable level of funding for their schooling. All school students deserve government support for their education irrespective of the school they attend.
2. Non-government schools are important providers of education for the children of Australia and should be recognised for their contribution to the economic wellbeing of the nation. Over one million students are currently enrolled in non-government schools. Non-government schools account for one-third of total school enrolments and some 37 per cent of secondary enrolments. In all capital cities other than Darwin, non-government schools educate over 40 per cent of secondary students.
3. Governments must recognise that a substantial proportion of Australia's system of school education, like the public system of health and transport, is delivered by private (not-for-profit) providers. Government schools funding models must recognise the validity of diversity in schooling provision.
4. Non-government schools are registered to operate as schooling providers with their state or territory government. The school registration process ensures non-government schools meet the public goals of schooling and community standards. Students attending non-government schools should be eligible for a reasonable basic level of funding by governments in support of their education. In addition, students with special needs who attend non-government schools should be able to access the same needs-based funding and government services available to students attending government-owned schools.
5. Parents value diversity in schooling options and the freedom to choose among them in order to best meet the educational needs of their children. Parents who choose to educate their children in non-government schools demonstrate their willingness to play a partnership role with governments in funding the cost of their children's education. They contribute to the cost of their children's education from their after-tax dollars.
6. Parents who exercise their freedom of choice in schooling options for their children should not attract financial penalty. Parents should not be penalised for their willingness to spend money on their children's education.
7. Parental contribution to the education of their children in non-government schools represents a significant proportion of Australia's expenditure on school education. If the students in non-government schools were educated in government-owned schools, governments would need to find another \$4.2 billion each year in recurrent funding alone to be able to educate all students to the

- standard currently available in government-owned schools. In our school, parents are asked to pay between \$5,000 (Prep) and \$9,000 (Year 12) in fees to meet the gap in funding from governments.
8. Students in non-government schools are not eligible for the same level of government funding as students attending government-owned schools.
  9. The current system of allocating general recurrent grants for non-government schools from the Australian Government (the SES model) provides a reasonable measure of the capacity of school communities to contribute to the costs of schooling.
  10. In contrast, funding of government schools is provided without any assessment of the financial circumstances of their school communities.
  11. Much of the recent public debate on schools funding has focused on the facilities available to independent schools. Unlike the provision of capital infrastructure in government-owned schools, facilities in independent schools are largely funded through borrowings and the generosity of school communities. It is estimated that, nationally, 86 per cent of funds for capital development in independent schools has been contributed by the school communities. This is another saving to governments.
  12. Australian government funding should be retained in its current form for the coming quadrennial period (2005 – 2008) to allow our families some certainty to plan for their financial commitments. **Stability and certainty** in funding is most important for our school's continued viability and ability to sustain quality in educational provision.
  13. The cost of delivering primary and secondary education in Australia has been rising much more rapidly than CPI – more than double over the last 5 years. This is putting tremendous pressure on school communities – especially parents through increased fees. It is therefore vitally important that the current method of indexing per capita recurrent grants to AGSRC is continued.
  14. In summary, for independent schools to continue to properly educate young people, the subsidy from Governments must be based on a mechanism that is: stable, predictable, simple and transparent, and contains incentives, not disincentives, for increased parental support through fees and donations etc.
  15. The current SES system displays the above characteristics. The previous ERI system, by comparison, did not.
  16. The current SES system should be maintained and fine tuned.
  17. In addition to the continuation of SES based recurrent funding for general “per student” support to independent schools, governments should be providing leadership, and financial assistance to all schools (government and non-government) in the following areas where significant change is occurring and schools are struggling to meet the financial commitments required:
    - professional learning and teacher renewal
    - vocational education
    - students with significant/profound physical, intellectual and/or emotional delays
    - ICT and access to web-based resources via adequate broadband technology.

Yours sincerely,

Richard Price  
Business Manager and Secretary, Board of Management

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