

# Submission

to

Senate Employment, Workplace Relations and Education  
References Committee

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

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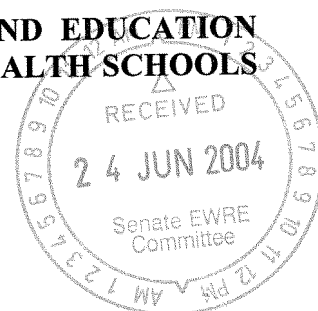
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# **THE SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION REFERENCES COMMITTEE EXAMINATION OF COMMONWEALTH SCHOOLS FUNDING**

**SUBMISSION BY MINISTER FOR EDUCATION - TASMANIA**



## **INTRODUCTION**

The Commonwealth funding provided to Tasmania will be around \$160 Million per annum at the commencement of the new school quadrennium 2005-08. This consists of approximately 64% of funding for non-government schools and 36% of funding for government schools although approximately 75% of students in Tasmania attend government schools.

The asserted growth in funding to Government schools under the new school quadrennium simply reflects the provision of cost indexation for each year of the new quadrennium. While the retention of the Average Government Schools Recurrent Costs (AGSRC) mechanism to provide cost indexation on Commonwealth schools funding in the new funding quadrennium is welcomed, it is important to note that the AGSRC reflects the annual movements in State Government expenditure and therefore means that the Commonwealth is matching State Government expenditure increases. The Commonwealth is not making an independent decision in calculating cost indexation.

## **INEQUITY BETWEEN GOVERNMENT SCHOOLS AND NON-GOVERNMENT SCHOOLS IN COMMONWEALTH FUNDING ALLOCATION PRINCIPLES**

The most blatant inequity in Commonwealth school funding, the ongoing difference between the funding of government and non-government schools has not been addressed in the new funding quadrennium. The current more generous arrangements for the non-government sector will continue and increase in the new funding quadrennium. For example, during the current quadrennium in Tasmania, Commonwealth funding for government schools has increased by around 16% whereas funding for non-government schools has increased by around 33%. The new quadrennium will see an increase of around 44% for non-government schools compared to only 24% for government schools.

The current Commonwealth funding model sees primary students in government schools receiving per-capita rates equal to 8.9% of the AGSRC and secondary students in government schools receiving per-capita rates equal to 10% of the AGSRC. However, the lowest level of funding for a non-government school is a per-capita rate of 13.9% of the AGSRC for both primary and secondary students.

While this funding model provides significantly less funding to government schools than non-government schools, it is also significantly flawed in that it fails to address the relative needs of school sectors. For example, for government schools, the primary sector receives around 12% less than the secondary sector however research shows that a higher level investment of funding is required for schooling in the early years, but the Commonwealth funding model takes no account of this.

It is considered that the Commonwealth Government should at least increase the per-capita rate for primary students in government schools to the same level as the per-capita rate that

applies for secondary students in government schools. However, the most fair and equitable outcome would be to increase both the primary and secondary per-capita rates for students in government schools at least to the minimum rate that applies for students in non-government schools.

Another significant inequity of the current funding arrangements which has been continued in the new funding quadrennium is that indigenous students and students with disabilities receive far less Commonwealth funding in government schools than they do in non-government schools. Indigenous students in non-government schools receive more than three times the amount of additional assistance as compared to their peers in government schools. Similarly, per-capita funding for students with disabilities in non-government schools is about five times the funding of a similar student in a government school. This significant inequity in funding arrangements fails to recognise that Government schools contain the significant majority of Indigenous students and students with disabilities.

### **THE SES FUNDING MECHANISM FOR NON-GOVERNMENT SCHOOLS**

The Commonwealth will allocate around \$27 billion in General Recurrent Grants funding to government and non-government schools during the new funding quadrennium 2005-2008. However, approximately \$2 billion or around 7.5% of this funding is tied up in "no-losers" funding policies, or funding maintenance arrangements, both of which are only applicable to non-government schools whose needs no longer warrant the allocation of these funds. This means that approximately 52% of non-government schools will be funded at a level in excess of that dictated by their SES score.

Further, the weighting for the distribution of General Recurrent Grants funding for non-government schools based on SES scores is simplistic and does not represent the distribution of costs among schools and students within the non-government sector as it results in a linear distribution of funding across schools. In addition to this, the needs of Government schools and students are not recognised at all in the Commonwealth funding arrangements for General Recurrent Grants.

In allocation models for education resources, of which SES based funding is an example, the current linear model used by the Commonwealth is limited. The fact is that Governments have to allocate significant levels of funding to high needs students and the funding models used should take into consideration the different costs of delivery, the genuine costs of schooling related to factors such as student and school characteristics.

### **ACCOUNTABILITY AND REPORTING REQUIREMENTS**

With regard to Commonwealth funding for government schools, while this is an important component of school funding, it represents around only 10% of the total State Budget for schools. This compares to Commonwealth funding representing around 73% of the funding for non-government schools.

Although the Commonwealth funding for government schools is significantly less than funding for non-government schools, particularly with regard to the share of total schools funding, the Commonwealth Government applies the same accountability and reporting measures on both the government and non-government sector.

In the main, the conditions and accountability requirements announced for the new funding quadrennium refer to decisions that Ministers have already endorsed in principle or have requested further work to be undertaken to determine appropriate implementation processes. For example:

- Ministers have agreed to set national targets in the areas of reading, writing, spelling and numeracy and commissioned the Performance, Measurement and Reporting Taskforce (PMRT) to undertake work on a paper on the way they should be established and what might constitute appropriate targets.
- Ministers have requested PMRT to progress the issue of reporting school outcomes at senior secondary level to parents and this work is in progress.
- Ministers have agreed to report levels of expenditure on professional learning of teachers and requested work to be undertaken on how this could be done.
- Ministers have agreed to research being undertaken and issues analysed in relation to a common school starting age, and this work has not yet been completed.

However, I am concerned that important and careful work that is being undertaken will be pre-empted by the conditions and requirements being imposed and that Ministers have appropriate opportunity to fully consider the details of implementation that might flow from "in principle decision". The recommendations from the work in progress in relation to many of these conditions and accountability requirements should be brought forward to Ministers in an orderly and considered manner and not be jeopardised by being bundled together and presented as conditions for funding.

The main issue confronting Tasmania regarding the conditions of funding is the requirement to implement a uniform school starting age by 2010. Tasmania's present starting age is currently 6 months later than the suggested starting age. Accordingly, the financial effect on Tasmania to meet this requirement would be substantial, at an estimated total cost of an additional \$223 million as this new cohort of students moves through the education system. This represents a significant additional funding requirement for the State of Tasmania and is obviously much more significant than any increases in Commonwealth Government funding being offered.

It also further demonstrates the point that while the Commonwealth provides a relatively small proportion of the total resources required for Government schools, it is trying to significantly influence policy decisions, some with a huge cost to the States.



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23 June 2004