

Australian Council of State School Organisations Limited



One voice for every child in public education

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Review of the Socio-Economic Score Methodology

The Australian Council of State School Organisations (ACSSO) would like to thank you for the opportunity to respond to the Review of the Socio-Economic Score methodology conducted by the National School Resourcing Board.

ACSSO is the national peak parent organisation supporting families and communities of over 2.5 million young people attending Australia's public schools. ACSSO is a strong advocate of ensuring all young people have opportunity and access to quality education that allows them to follow their talents and interests.

The SES funding model has had a mixed reception from the very beginning and it's fair to say that supporters of the public education system have been rigorous in identifying the anomalies within it from that point in time and over the next 20 years as further amendments were made. The Catholic system also have had issues and sought to loosen its strictures until separate arrangements were put in place by the then Prime Minister, John Howard.

ACSSO is of the belief that funding should be fair (based on needs); simple (easy to understand the methodology, no special deals) and transparent (information publicly available in a form that is easily understood and declares ALL funding and its source)

In examining the level of taxpayer dollars to what are private enterprises we also raise the following questions: should public funding to private education only apply

to basic education provision according to the Australian Curriculum; should it just provide the appropriate degree for the teaching element of education delivery. If an education provider wishes to provide a level of service delivery beyond what is necessary to deliver the Australian Curriculum, then this should be funded from its own resources, and not receive additional government resourcing.

The current calculation of the SES funding is not specific to the families it serves but rather the SES of the community the families are drawn from. The calculation does not consider the individual capacity to contribute of more affluent families that reside in the area – just an average of the particular sample size. This can be particularly misleading in our rural and remote areas.

There is no definitive approach to this however there are some key elements that should inform the calculation process. The capacity to contribute should consider:

1. *The capacity of the actual families using private school services*

Basing any funding on anything less than the capacity of the individual families involved will always open the formulae to criticism and scrutiny. The NSW Priority Schools program calculated the SES based on a thorough survey of the school's families every four years. The metrics in this examined family education, occupation, ATSI, Language background and family make up.

2. *The weightings be based on family capacity to earn; their income*

Family income can be masked by the ability to negatively gear investments and reduce taxable income. Perhaps some form of declared net worth factor may provide a degree of transparency in this. In conclusion, there needs to be some form of validation process that is not confined to just ABS data; ABS data can often reflect a negative income when family is affluent.

3. *Family education levels; family occupation*

Education levels are not only an indication of capacity to earn but capacity to support learning outside of school. Additionally, opportunity is provided to the young person through family networks, and other connections.

4. *Where parents live in separate households - (often both households are contributors to the child's education – the capacity to contribute in these instances often are underestimated)*

Both parents are required to contribute to a child's education and therefore this should be taken into the calculations particularly when seeking government funding for private education.

5. *Should be reviewed no less than every three years*

The data changes in an ongoing continuum, asset values can fluctuate dramatically over short time periods and this would be a pragmatic, and fair method of ensuring that any formulae are correct and appropriate.

6. That it be transparent and publicly available

When assessing the funding to the non-government sector there should also be an implicit understanding that if a school is already receiving sufficient funding i.e. greater per student receipts, from direct and indirect income sources, than the full Schooling Resource Standard (SRS) for its cohort is any form of government funding necessary – are we funding true need, or an entitled expectation over and above what is calculated as an appropriate level of funding to deliver the Australian Curriculum to each student?

Following on from the previous point, fees charged by many private schools meet or exceed the recurrent costs of making adequate provision for its students as measured by the SRS; even with a reduction decided by the parent community's capacity to contribute. Should there be additional government funding provided to these schools? Does this already determine a family's capacity to contribute? Additionally, the current arrangements ensure that no matter how wealthy a school or its subscribing parents may be there is a minimum entitlement of 20% of the SRS funding regardless of any capacity to contribute adjustment. In the new national model, determined by the Education Act Amendment Act 2017, with a single nationwide model this anomaly needs to be adjusted so that resourcing can go to where there is true need and not to where there is entitled expectation based on a legislated anomaly.

Consideration should be given to the resources and wealth of the individual school or system. Schools in the non-government sector often have access to additional sources of income that are unavailable to the public system that may not necessarily be open to public scrutiny or acquittal. These include income from capital assets and other enterprises not related to education, beneficiaries of significant bequests commitments to which are actively sought as part of enrolment processes, and long established deductible gift recipient status attracting donations from Alumni, commercial sponsorships, scholarship trusts, etc.

Care should also be taken to establish the true financial position of an education provider, and its owners, to ensure creative accounting has not allowed the operational side of education provision to appear impoverished as a means of attracting a higher level of government subsidy.

In Conclusion

ACSSO recognises that this issue, like so much of the regulation and policy surrounding education, is highly complex with many mitigating factors on all sides. We ask that due consideration is made to our points in the context that education is a legislated compulsory and public activity that every school aged student has to participate in. As such, every state and territory make available high-quality education services that are open to all with no exclusive enrolment strictures or arbitrary practices.

With surging enrolments in our nation's public schools that are seeing 80%+ of the additional 2016 and 2017 enrolments in all of Australia's schools going to the public system, taking public school enrolments up to 2.53m or 65.6%, it's time to acknowledge that public education is increasingly the first choice for students, their parents and their future.

As a democratic nation we are all free to choose to participate in any legal activity. However, if that activity is supplementary to and at additional cost to high-quality, and inclusive government services that are freely available to all then, is it fair that exclusive private education providers should continue to receive significant levels of government subsidy, without being completely accountable for every cent of public money received, and the distribution thereof. Put simply, we need strong governance protocols to ensure that no gaming of the system is possible by any privately-owned education provider or system and guarantees, through a robust criterion, that any monies received reflect true need.

An objective review of SES formulae and acquittal processes are an essential element of the necessary legislated governance and transparency protocols in the 2017 Education Amendment Act; we wish the NSRB members every success with their deliberations and urge them to apply the principles of Fair, Simple and Transparent education policy, with truly needs based funding and no special deals.