

Submission by Catholic Education Tasmania to the National School Resourcing Board on the review of the socio-economic status (SES) score methodology

1. Introduction

Catholic Education Tasmania (CET) is pleased to have the opportunity to present a submission to the National School Resourcing Board (NSRB) to inform its review of school SES scores. This submission is intended to be complementary to submissions made by the National Catholic Education Commission (NCEC).

CET operates 38 systemic Catholic schools in the Archdiocese of Hobart and educates over 16,000 students. Schools range in size from 84 students to 1,462 students. Many schools are centred around the major population areas in Tasmania but CET also supports schools on the West Coast and as far away as Smithton on the North West Coast.

This submission addresses the perceived flaws in the SES methodology as they effect funding to CET schools and concentrates on the issues of particular relevance to Tasmanian Catholic schools. This submission is not a comprehensive analysis of all matters that will be canvassed by Catholic Education dioceses across Australia but will address the issues as they relate to Catholic non-government schools in a State where socio-educational disadvantage is apparent for the majority of CET schools and where the average Capacity to Contribute (CTC) of school communities is lower than most other jurisdictions. CET wishes to make a case for a low-fee non-government Catholic education to be available for all who desire it.

SES scores for Tasmanian Catholic schools range from 80 to 107. The average SES is 95. Two distinct funding models operate to distribute government grants to schools. One is a co-responsibility model for primary schools where small, isolated and low SES schools are supported to ensure viability. The other is a direct funding model where Colleges provide for some centralised expenditure but, in the main, receive their funding as it is attracted.

Both funding models present challenges in ensuring that government funding is distributed to schools with the greatest need. These challenges have become exacerbated by the adoption of individual school SES scores in determining the capacity to contribute and the funding distribution to schools, making it difficult to allocate 'full' funding to our most disadvantaged schools.

The main areas of concern for CET are as follows:

- The SES score is an imprecise measure of the capacity of parents to contribute to their child's education
- The SES measure includes information that does not necessarily impact on the capacity to pay school fees and is no longer fit for purpose
- There is an issue with the currency of the ABS Census data and the ability to refresh that data easily
- The process to re-map students and re-measure a school's SES score should be straight forward and efficient. The current process for a review of a school's SES score is time consuming and difficult

CET believes that a better measure of a parent's capacity to pay is needed and that information must be current and precise. If this cannot be achieved under the current SES methodology then an alternative measure of capacity to contribute should be adopted. Such a model could be one under which school ...

private means must be some measure of capacity to pay.

2. Matters for concern

The SES score is an imprecise measure of the capacity of parents to contribute to their child's education

While SES scores may have the benefit of administrative simplicity, their major limitation is their exclusive use of Statistical Area 1 (SA1) data to classify families for the purposes of capacity to contribute. The SES score methodology assumes all families within the same SA1 have the same financial means, irrespective of the school they attend.

In practice, the extent to which SES scores accurately measure a school's capacity to contribute will depend entirely on the degree to which that school's students are representative of their residential areas. For some schools, SES scores may be fit for purpose, a reasonably accurate, convenient and cost-effective way to measure capacity to contribute. However, where schools attract unrepresentative populations, for example, the poorest or wealthiest families within an SA1, a clear potential for bias exists. The issue is summarised in the Victoria University report:

*'A key theme of all concerns raised is that there may be systematic bias in the SES score, with certain schools or school sectors receiving an SES score not accurately reflecting the school community's SES. For example, the Census income data used to calculate the SES score may lead to a systematic bias favouring one non-government school sector over another.'*¹

As noted in the Victoria University report, systematic bias will occur if parents with lower SES scores in an SA1 are more likely to choose government or low-fee schools while higher income parents from the same SA1 are more likely to choose high-fee schools. In this hypothetical case, averaging across students in each school type will overstate the capacity to contribute of the low-fee school while understating the capacity to contribute of the high-fee school.

CET has recently set policy regarding fee remissions for parents that find it difficult to pay school fees in full. It is a cornerstone of Catholic systems across Australia that parents with limited capacity to pay are welcomed into our schools and that financial hardship should not be a barrier to entry. With this in mind there are really three levels of fees that may be applied to non-government schools. Effectively free education should be available to parents in Catholic schools where the capacity to pay school fees is very low or non-existent. This would apply to Health Care Card holders and other low income families. The second is low-fee schools where the current measure of SES is consistent with a moderate capacity to contribute. This would apply to most Catholic schools in Tasmania. The third option is high-fee schools and this does not apply to any schools in CET. In setting school fees in CET, the SES scores of schools are banded and used to determine the appropriate fee level. We understand this is an imperfect measure but does mirror the current funding methodology.

The SES measure includes information that does not necessarily impact on the capacity to pay school fees and is no longer fit for purpose

Under the AGSRC model of school funding the SES score was devised as a way to not only measure family income, which could be used as an indicator of the capacity of parents to pay school fees, but also to provide a measure and a corresponding dollar value for per student funding that in some way would compensate for other indicators of disadvantage. For this reason measures of parental occupation and

education were included in the SES measure to capture the additional needs of students from low SES backgrounds.

The *Quality Schools* funding model of the current government is built on base funding with added loadings to compensate for disadvantage. Base funding is reduced according to SES, which is a poor and imprecise measure of the ability of parents to pay fees, even though it is intended to measure the capacity to contribute. If the SES measure was a true means of this capacity, the education and occupation dimensions would not come into play.

These dimensions are also factored into the low SES loading collected as Socio-Educational Advantage (SEA) data through self-reported information from parents. It could be argued that education and occupation data of parents is double counted and impacts funding disproportionately when compared with other measures of disadvantage.

There is an issue with the currency of the ABS Census data and the ability to refresh that data easily

The data being used as a measure of capacity to contribute in schools funding is from the Australian Bureau of Statistics (ABS) census collection in 2011. It is currently seven years old.

In addition, the students address data used in calculating school SES scores was collected at the same time and is no longer necessarily representative of current school populations.

It is essential in the review of SES scores that a method of determining the capacity of parents to pay is devised where the measure is current and easily updated.

The process to re-map students and re-measure a school's SES score should be straight forward and efficient. The current process for a review of a school's SES score is time consuming and difficult

As a system of schools, CET has been able to re-map our student data and have noted some very significant movement in SES scores since 2011. We have also mapped our student data with the latest 2016 ABS census data. The results for several of our schools, using 2017 address data, are shown in the following table.

taken current cohort of students & mapped to 2011 data → mapped addresses

School	ABS 2011 SES score	2011 SES score with re-mapped student data	2016 SES score with re-mapped student data	Difference from current SES score
John Paul II, Rokeby	92	88	85	-7
Mount Carmel, Sandy Bay	107	103	102	-5
St Joseph's, Queenstown	85	84	80	-5
St Cuthbert's, Lindisfarne	100	97	96	-4

- this would mean \$728,000 additional.

show: ~~with~~ school community not reflective of ABS data.

Residential address data is collected for all students by ACARA each year and could easily be mapped to at least add some currency to the SES. The above numbers includes 95.5% of addresses mapped to the 2016 ABS census data.

The calculations for Mount Carmel College show a funding shortfall of \$728,000 based on an SES score that is 5 points higher than their current student cohort would indicate.