

20 February 2018

Mr Michael Chaney AO  
Chair  
National School Resourcing Board  
via Online Submission Form

Dear Mr Chaney

**RE: Review of the socio-economic status score methodology**

Thank you for the opportunity to make this brief submission to the Board's Review of the SES score methodology.

**INTRODUCTION**

Christian Schools Australia (CSA) is a national body that supports and represent schools for whom religious formation is an integral part of the education process. CSA schools educate around 56,000 students across more than 130 locations nationally.

The schools are geographically, culturally and educationally diverse, although they serve predominantly middle to lower socio-economic communities. They range in size from around 50 students on one campus, to more than 2,200 spread across three campuses. While mainly in the outer suburban fringe suburbs of major metropolitan areas a number are located across regional and rural Australia. There are also some specialist and indigenous schools in various locations across the country

The average SES score of these schools is below the non-government school average, reflecting the affordable-and-accessible philosophy which underpins these schools.

**STRUCTURE OF NON-GOVERNMENT SCHOOL FUNDING**

It has been long established and widely accepted that funding for non-government schools comprises three 'tiers':

- Tier One - A level of base funding for all students,
- Tier Two - Additional general per student funding provided on a 'means tested' basis,
- Tier Three - Further per student funding to address identified educational disadvantage.

CSA has championed this approach over many decades and it remains embedded within the funding structure of the Schooling Resource Standard model implemented through the *Australian Education Act 2013* (Cth).

### *DETERMINATION OF SCHOOL/STUDENT 'NEED'*

Within this long-established funding structure the SES has been the determinant of school or student 'need', expressed as the **capacity** of the school community to contribute to the resourcing of the school. This approach to measuring capacity rather than actual contribution is consistent with broader policy approaches, often expressed in terms of 'mutual obligation' or similar.

If, however, the indirect measure of capacity is used rather than a direct measure of actual contribution it is essential that it be **accurate**, reflective as far as possible of genuine capacity rather than some artificial imputed capacity. Measures of parental wealth or assets, for example, may not necessarily correlate with the ability to contribute to ongoing, recurrent, school resources. Conversely, in some cases parental wealth or assets, if unencumbered, may mean lower debt servicing obligations and a greater capacity to contribute. Great care will need to be incorporated into the construction of measures if this was to be incorporated.

This desire for accuracy must, in practice, be mitigated by the need to limit additional administrative burdens. It has to be acknowledged that any nationally consistent model will inevitably produce some analogous results. It is for this reason that a clearly articulated and sufficiently flexible **appeals mechanism** must be established alongside any model. The results of appeals outlined in the Research Paper, page 16, should be recognised as part of a successful model rather than necessarily determinative of systemic failures, although obviously each would need to be reviewed to determine if indeed they did point to a systemic issue.

Although largely not a feature of CSA schools the Research Paper, page 38, does raise the question of whether resources from outside current school families should be reflected in the determination of school need. Whether these contributions would be material is, at this stage, unknown but the inclusion in the Research Paper suggests that there is at least a question to be resolved in relation to this area.

### *PRINCIPLES FOR DETERMINING CAPACITY TO CONTRIBUTE*

The Principles outlined in the Issues Paper provide a sound framework for the assessment of a capacity to contribute measure. One factor not perhaps sufficiently reflected is the value of retaining a measure with a long history which is well understood and has been the subject of extensive review and critique.

While, as the Research Paper points out, there have been a range of criticism of the SES approach and methodology it remains a well understood and broadly accepted measure. It may well need to be refined and improved, however there are significant advantages in retaining the fundamental components which have been part of this measure for nearly two decades. It has a degree of acceptance and understanding simply because of its longevity.

### *REFINEMENT OF SES AND VALIDATION OF RESULTS*

Arising from the acceptance and longevity of the SES as currently utilised it is inevitable that any refinements or improvements will be closely scrutinised. This will especially be the case if these refinements result in significant changes to current scores which impact funding.

Certainly, the validation of any of the proposed 'improvements' outlined in the Research Paper, Table C-1, will need to be robust and clearly communicated and explained to affected stakeholders. This may require **extensive consultation** down to the level of any affected schools to ensure

appropriate acceptance. Mere 'peak level' consultation will not be sufficient with school boards, in the case of Christian and other independent schools, having responsibility for the financial operations and viability of those schools.

The 'Analysis Approach' for each issue identified in the Research Paper, Table C-1, also seems to largely, if not entirely, consist of high level statistical and data analysis processes. While these are critical we would also suggest that **direct engagement with schools** is also essential to get a 'reality check' which simply cannot be obtained from high level data.

#### **REQUIREMENT FOR A SUITABLE TRANSITION PATH**

If there are refinements or improvements which result in changed funding outcomes it will be essential that appropriate **transitional arrangements** are put in place.

Schools are currently adjusting to the introduction of the *Quality School* funding package. While funding outcomes are generally positive from these changes this is not universally the case. In any event there is a level of uncertainty which still exists for many schools, particularly in relation to State or Territory Government funding. Independent, non-systemic, schools generally have relatively little capacity to absorb significant financial changes. With CSA schools receiving on average 65% of income from government funding this is certainly of particular concern.

Thank you once again for the opportunity to make this submission. We look forward to continuing to work with the Board in relation to any proposals which may arise from this Review.

Yours faithfully



Mark Spencer  
Executive Officer Policy, Governance & School Support