4. Community Based Funding Proposal

ABS census data remains the most reliable source of consistently collected socioeconomic data available.

Proposal
Independent Schools Victoria proposes its Community Based Funding (CBF) model as an alternative if the socioeconomic status (SES) funding model is to be replaced. The CBF model would retain the key strengths of SES funding introduced in 2001.

SES Key Strengths
When the SES funding model was being developed, it was agreed that there was ‘a preference for a transparent funding system…based on reliable data collected independently… For transparency, the relationship between source data, indicators and the relative funding level of a school should be able to be demonstrated, and the data should not be able to be manipulated to affect funding.’

The validation report concluded that ‘a census-based SES measure produces a good proxy for parental income without the intrusiveness and administrative complexity inherent in measuring parent income more directly.’

Reliability of Census Data
Australian Bureau of Statistics (ABS) census data remains the most reliable source of consistently collected socioeconomic data available.

The Community Based Funding Model retains the key strengths of SES.

Occupation, education, household income, and family income are appropriate measure of a student’s socioeconomic status.

Census data is collected on a regular basis, directly from parents, and is independent of schools. It focuses on the socioeconomic situation of individual students and families, rather than attempting to estimate individual student need from school financial data, or based on the sector in which the school is based.

For the 2011 Census, the ABS will introduce mesh blocks that will result in data being reported at a more localised level. This will improve the accuracy and reliability of the socioeconomic data.

The CBF model
The Community Based Funding Model retains the key strengths of SES but would be more accurate because of the ABS mesh block census data.

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Funding for Indigenous students and student with special needs should be allocated in addition to the CBF model.

Schools would still be able to provide individual parent information in place of mesh block data if they believed that their indexation was inaccurate.

Family size and other socioeconomic indices such as internet and broadband access could be incorporated into the CBF model to provide a more detailed profile.

**Additional funding provisions**
The existing funding model adds a loading for remote schools, based on their location but does not provide for a student from a remote location attending a school in a less remote area. This could be resolved by using student home address details linked with the ABS Accessibility/Remoteness Index of Australia.

Funding for Indigenous students and students with special needs should be allocated in addition to the CBF model.

**Funding benchmarks**
The existing funding model currently provides non-government schools with funding between 13.7 per cent and 70 per cent of the Average Government School Recurrent Costs (AGSRC).

Several states and territories have implemented, or are intending to implement, funding models that link non-government school funding to 25 per cent of the cost of educating a student in a government school. This figure is an appropriate benchmark to set as the minimum allowance for schools that would sit at the higher end of the scale of the CBF Model. Funding could then scale up to the Public Base Cost amounts that have been identified as $9287 for primary level students and $12079 for secondary level students for schools on the lower end of the socioeconomic scale of the CBF.

**Determining a base cost**

It calculated a Public Base Cost amount at 2003 prices (including in-school and out-of-school recurrent costs):
- Primary school – $6201 per student
- Secondary school – $8504 per student

With indexation, the publicly funded cost of Australian schooling in 2010 is calculated to be $9287 for primary school students and $12,079 for secondary school students. It is these figures on which the PFA is based.

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