The Australian Government’s Review of Funding for Schooling raises issues that will have a significant impact on education in Australia. This summary, together with messages and questions, is provided to encourage school leadership, teachers, parents and families to form views and express your opinions so that you can contribute to the national debate.

The Federal Government is encouraging a discussion on ‘which of the review panel’s recommendations to implement and how best to do this’. There will be local information sessions around Australia, and online forums. Parents and families can visit the government’s ‘Have your Say’ page on its School Funding Forum website at www.schoolfunding.gov.au

Independent Schools Victoria also encourages parents to question local state and federal Members of Parliament about the review, and to tell the MPs how you think education should be funded.

– Michelle Green, Chief Executive, Independent Schools Victoria

Purpose

The review was undertaken by a panel of eminent Australians chaired by Mr David Gonski AC and its findings and recommendations announced by the Prime Minister, Ms Julia Gillard, and the Minister for School Education, Mr Peter Garrett on 20 February, 2012.

The review was commissioned in April, 2010 to develop a funding system that is ‘transparent, fair, financially sustainable, promoting excellent outcomes’.

Fact Gathering

The review panel:

- conducted a ‘listening tour’ of all states and territories
- received more than 7000 submissions
- commissioned four research papers
- met hundreds of professionals and stakeholders.
Findings

The review panel found that current school funding:

- was unnecessarily complex
- lacked coherence and transparency
- involved duplication
- lacked coordination.

It also identified an overlap in funding priorities and an imbalance between federal, state and territory funding responsibilities.

The review panel made 26 findings and 41 recommendations, calling for:

- significant increase in funding across all schooling sectors – $5 billion annually
- more funding for government schools because of significant numbers and greater concentration of disadvantaged students
- improved funding balance between government and non-government schools
- better coordination to improve educational outcomes of disadvantaged students.

Recommendations included:

- funding allocations to be based on a national student resource standard that:
  - specifies an amount needed to educate each student, plus loadings for special needs e.g. Indigenous students, students with disabilities and students with non-English speaking backgrounds
  - is based on costs in selected schools that are meeting agreed outcomes
  - provides government schools with the full resource standard
  - provides non-government schools with a proportion of the resource standard, depending on the capacity of parents to contribute.

- an independent national schools resourcing body to be set up
- expectation that most non-government schools should raise between 10 and 80 per cent of the resource standard from private sources such as fees
- some non-government schools that do not charge fees and have no capacity to do so to receive the full resource standard
- socio-economic status to be used to measure capacity of parents to pay while a more precise measure is developed
- federal government to take on a greater role in funding government schools and state governments to provide more funding to private schools
- a student with disability entitlement to be fully publicly funded regardless of whether the student attends a government or non-government school
- federal government to create a fund to encourage philanthropic partnerships between schools and businesses.

Government response

The Australian Government said that the proposed funding model has significant policy and financial implications for all governments, meaning that:
Governments, stakeholders need time to work through the issues
the scope of proposed funding in some areas, such as capital funding, may be too large
the federal government needs to be satisfied on eight issues, including making sure no school loses a dollar of funding per student.

Government’s next steps

The Prime Minister said there would be no immediate financial commitment to implement the review’s recommendation. Ms Gillard said the government ‘will now begin work on the next stages in developing a new funding model for our schools’ with:

- proposals to be taken to Council of Australian Governments for further discussion
- modelling of how new funding system will work in practice
- ministerial schools funding reference group to work through key recommendations and provide advice
- feedback to be sought from principals, parents and unions
- public forums for parents and community.

The full report, the government’s initial response and details of the next steps can be found at the Your School Our Future website www.schoolfunding.gov.au

Where’s the money coming from?

The Gonski model needs at least an additional $5 billion annually and proposes that the Commonwealth pay 30 per cent and the states, 70 per cent, but:

- Is there provision in the Federal Budget or in Treasury forward estimates?
- What about the Federal Government’s goal of a balanced budget in 2012-2013?
- Have state governments budgeted for their 70 per cent share?
- Do state governments have surplus funds available for education?

In a preliminary estimate on the day of the announcement, the Victorian Government said that to meet its proposed commitment, an additional $750 million per year would be needed.

The Gonski proposal is that the funding system would remain for 12 years, but:

- Can states and territories find 70 per cent of at least $5 billion annually?
- Can the Commonwealth find 30 per cent of $5 billion annually?
- How will the Commonwealth convince the states to sign up?
- Will states with non-Labor governments agree?

Timing

The Federal Government funding legislation for non-government schools expires in 2013. Commonwealth–non-government school funding agreements must be settled by the end of this year. Legislation is needed to cover the new funding arrangement.

The Gonski report calls for a ‘fairer’, more precise method of measuring parents’ capacity to pay for their children’s education. The government says that work will begin immediately on a new socio-economic status model. Will the government need to extend current arrangement to 2014 to allow new SES to be developed?

Legislation will be needed to establish the new National Schools Resourcing Body to manage the proposed resourcing standard.
Have your say

The following messages and questions are intended to promote discussion. We will be interested to know what responses you receive from the government’s ‘Have Your Say’ section on the School Funding Forum.

1. More money must be invested in education but changes to school funding should not leave any parent any worse off.

2. How will basing funding on the proposed schooling resourcing standard provide quality education?

3. The schooling resource standard should not be used to enable state and territory governments to control allocation of government funding to non-government schools.

4. Establishing a National Schools Resourcing Body to manage the school resourcing standard will create another bureaucratic organisation that will absorb education dollars.

5. Public funding based on the ‘anticipated capacity of parents to contribute financially’ to their school should apply to all schools – not just non-government schools.

6. It is not fair to impose a means test on parents sending their children to non-government schools and not apply a means test for parents of students at government schools.

7. Basing government funding on parents’ ability to pay fees, and the school to raise its own funds, could mean that every dollar the school generates from private sources equals a dollar less in government funding.

8. Basing government funding for non-government schools on the anticipation that the private contribution will be at least 10 per cent of the schooling resource standard, raises the question, what happens to schools whose fees don’t meet that percentage?

9. The existing socioeconomic status (SES) model, which uses independent and verifiable ABS data, to assess funding requirements should be maintained. The SES model can be fine-tuned if necessary but a new system using unreliable self-reported My School data and suspect calculations from the Index of Community Socio-Educational Advantage (ICSEA) should be avoided.

10. If it is a good idea to use a common measure for funding non-government schools, why not use a common measure for all schools?

11. It is important to support disadvantaged students but focus on students not on funding schools.

12. How long will it take to get bipartisan support for the Gonski recommendations and the agreement of state and territory governments?

Please email responses that you receive from ‘Have Your Say’ to Brian Peck brian.peck@independentschools.vic.edu.au.