

Media Release

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Reservations about Audit Commission's Funding Proposal

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Statement by Chief Executive, Michelle Green, on the National Commission of Audit's recommendations on school funding.

We welcome recognition by the Commission that the current model of funding education in Australia is not based on a detailed analysis of the cost of delivering education. We have been saying that the data on which the funding model is based is insufficient and inaccurate.

We have reservations about the Commission's proposal that Commonwealth funding for school education should be provided to each state in three pools – one for government schools, one for Catholic systemic schools and one for Independent schools. We are not confident that this would be efficient. The Commission says to ensure there would be adequate and ongoing funding in the non-government sector, there would be no capacity to reallocate funding between the pools.

If the recommendation was to be adopted, there would have to be watertight legal arrangements to ensure there was no leakage of funds from the Independent pool to augment the state government's education funding. A possible process for distributing funding would be to have it managed by a government department not responsible for delivery of education, say Treasury. But even so there does seem to be double handling.

We agree with the Commission's views that:

- Strong education contributes to strong employment, as well as broader productivity, health and social outcomes.
- Increasing funding does not necessarily equate to better student outcomes.
- In terms of the efficiency and effectiveness of school funding, what matters most is how schools and classrooms are run. These factors are likely to have a greater impact on student outcomes than spending alone.
- The new school funding arrangements are complex, based on a per-student resourcing standard with loadings to take account of student disadvantage.

We have been campaigning to have fewer regulatory requirements. The Commission has identified 'overlapping and duplicative responsibilities and arrangements between the Commonwealth and the States' that 'result in significant reporting and compliance burdens'.