

Briefing Paper

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School Funding Review

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Principals are welcome to draw on this material when briefing school boards and councils, parents and others in the school community.

The Review of Funding for Schooling commissioned by the Australian Government in 2010 produced what was called the Gonski recommendations that were the basis for *Better Schools: A National Plan for School Improvement (NPSI)*, now known as Better Schools for Australia, or simply the Better Schools Plan.

Minister's Email Estimates

Recently, many Member Schools received an email letter signed by the new Minister for Education, Mr Bill Shorten, which says *'the extra funding that will flow to your school from January 2014 will provide extra resources to support your school to implement the reforms outlined in the Better Schools Plan'*.

The figures quoted in Mr Shorten's email are based on modelling undertaken by his Department of Education, Employment and Workplace Relations (DEEWR) for each school. However, the quoted figures:

- do not accurately reflect the total amount of funding being provided by the Victorian Government in 2013
- use extrapolated data for individual schools from 2010 and 2011 out to 2019, based on sector-wide assumptions
- assume indexation and transition arrangements that are yet to be negotiated with the Victorian Government that will impact on the total share of state and federal government funding
- do not take into account the distribution of Victorian Government school funding under the existing Financial Assistance Model.

The funding estimates contained in the email from Mr Shorten, including the additional total amount per student in 2019 compared with 2013 is unlikely to accurately reflect the actual amount of money each school will receive.

We are analysing the funding predictions, taking into consideration assumptions used in the department's modelling and implications of the Victorian Financial Assistance Model. We will provide schools with a detailed breakdown to enable an accurate assessment of the financial implications of funding changes.

However, the actual funding that schools receive in 2014 and beyond will be determined by any agreement reached by the Commonwealth and Victorian governments.

- We have written to the Minister, asking that his department desist from the newly-established practice of sending circular emails directly to principals, which we see as the thin edge of the wedge of electoral campaigning. This direct marketing is likely to open the doors to political gamesmanship from all sides of politics, causing irritation and confusion, and be counterproductive to the efficient distribution of important government information.

Australian Education Act 2013

The current Socioeconomic Status funding arrangements end on 31 December 2013. The *Australian Education Act 2013* provides the vehicle for Australian Government funding for Independent schools and Catholic systemic schools in 2014. There is no other option for non-government schools to continue to receive Australian Government funding.

Commonwealth negotiations with states and territories mean that there will not be a single funding model for Australian schools from 1 January 2014. The transition arrangements will vary considerably across the country.

Whether Victorian Independent schools are better off under the new funding arrangements depends on the state and federal governments coming to an agreement and the terms of that agreement (see above).

Former Prime Minister Julia Gillard's commitment that no schools will be worse off compared with their 2013 government funding has been built into the calculations of the new funding model. Any school which expects a windfall in 2014 is likely to be disappointed. At best they will probably receive one-sixth of any additional funding entitlement under the new model – most will receive less than one-sixth.

For most schools, any significant additional government funding entitlements will not be rolled out until around 2017 with the aim of schools receiving 95 per cent of their additional entitlement by 2019. Independent schools should see government funding based on student disadvantage increase gradually over the next six years.

Accountability

There will be an extensive range of obligations as a condition of funding. They incorporate existing requirements and a range of new accountabilities and the provision of additional data.

The loadings under the new funding arrangements rely on a range of data collected from parents at the time of enrolment as well as data provided by schools to DEEWR through the annual non-government school census. Modelling of individual Independent school entitlements indicates that for some Independent schools, the information is inaccurate and, or missing.

Meeting Commonwealth Expectations

The federal government is providing some support funding to ensure that associations, including Independent Schools Victoria, are able to meet their obligations under the NPSI and to continue to support schools to address educational disadvantage.

This follows the decision that Australian Government Targeted Programs funding to assist schools overcome educational disadvantage will now be provided as direct loadings for individual schools.

Michelle Green
Chief Executive