

## Simon said: the school funding shambles 12 months on

One year after the unveiling of the Gonski 2.0 package, it's a good time to take a step back and reflect on the shambolic and tortuous process the Turnbull Government is bumbling through as it tries to devise a new school funding policy, Catholic Education Commission of Victoria Ltd (CECV) Executive Director Stephen Elder says.

'The warning bells started ringing when Senator Birmingham decided he knew how to develop what he called a fair, consistent and equitable funding model without consulting anyone other than the independent school sector,' Mr Elder said.

'In taking that approach he ignored detailed research from Catholic education that showed the key parameter in his model – school SES scores – was deeply flawed and biased in favour of elite independent schools.

'Unsurprisingly, the Minister went on to announce a new funding approach that has been rightly labelled the best special deal independent schools have ever had.

'But that approach was riddled with policy mistakes, and the Minister has been playing catch-up ever since, much to the concern of his marginal seat colleagues in the Reps who don't share the luxury of his six-year Senate term.

'We're now in the bizarre situation whereby the Minister promised he would deliver schools "absolute certainty" over their funding, but most Catholic and independent schools don't know what they will receive in a matter of months when school SES scores are replaced for the 2019 school year.

'In fact, looking back at all the claims made by the Minister when he announced his new funding policy, one wonders whether he actually knew what he was talking about.

'Most of these claims are deeply misleading, and bear no resemblance to what has actually transpired – or to the funding model that the Turnbull Government legislated in June 2017, as the attached CECV Research Brief outlines.

'The one-year anniversary is also a good time to reflect on the worst policy development process in recent times. Senator Birmingham:

- Increased the importance of SES scores in school funding by removing the option of system-average SES scores for non-government school systems thereby:
  - Ignoring recommendations from the original Gonski review to replace SES scores
  - Ignoring detailed research from Catholic education that demonstrated school SES scores were flawed and biased against Catholic schools.

# Media Release



CATHOLIC EDUCATION COMMISSION OF VICTORIA LTD

- Announced a new school funding policy that would fundamentally reshape Catholic education in Australia by making Catholic primary schools in many parts of Australia fundamentally unviable – without consulting with Catholic education.
- Legislated new funding requirements for state and territory governments which have the potential to dictate how much funding these governments provide to schooling – again without actually consulting with states and territories.
- Decided to use dodgy new data to fund students with disability in schools, even though he had said himself it failed a basic credibility test – leading to a situation in Victoria where independent schools now claim more than 25 per cent of their students have disabilities.
- Published figures on the funding that Catholic schools would receive under his policy proposal that were deliberately based on an incorrect starting point to disguise funding cuts for over 600 Catholic schools.
- Informed all principals and school communities in schools that are part of systems of the funding they would receive from the Australian Government, while simultaneously insisting that system authorities – not the Government – would determine the funding that these actually received.
- Claimed to be implementing the ‘full vision’ of the Gonski Review panel, even though some of the changes he announced contradicted aspects of the Gonski Review final report.

‘It is entirely predictable that this appalling process has delivered a flawed funding model. Ignorance and arrogance have never led to good policy.

‘One can only hope that Senator Birmingham learns from this experience as he now scrambles to fix his school funding shambles.’

**Further information: Christian Kerr, 0402 977 352**

# Research brief

2 May 2018

## Simon’s spin: the rhetoric versus the reality of Senator Birmingham’s school funding reforms

What Simon said...	What the Turnbull Government actually did...
<p>“We are putting faith in the fact...that we will ultimately have a strong package of reforms to ensure additional money and hopefully existing money in the system as well, is put to a use that lifts student outcomes in the future”</p> <p>(Press conference with the Prime Minister and David Gonski, 2 May 2017)</p>	<p>The Turnbull Government is allocating record amounts of government funding to schools where it will not lift student outcomes. Under pre-existing funding arrangements, the Turnbull Government already provided \$750 million each year to wealthy independent schools that did not need it to deliver strong student outcomes – because they already raised sufficient income from private sources to meet their schooling resource standard.</p> <p>Under their school funding reforms, the Turnbull Government then handed several wealthy independent schools massive funding increases over the next decade. For example, Geelong Grammar – one of the most elite schools in Australia – will receive increases of 5.1 per cent per student per annum from 2018 to 2027, even though it does not actually need any government funding to reach its resource standard. This funding will do nothing to “lift student outcomes”.</p>
<p>“Our intention is to legislate the trajectory over the next 10 years, providing absolute certainty to all school sectors...of...the growth they will have and the real extra dollars that they can plan for the future”</p> <p>(Press conference with the Prime Minister and David Gonski, 2 May 2017)</p> <p>“Our 10-year timeframe provides greater certainty to all sectors than ever before”</p> <p>(Address to National Press Club, 4 May 2017)</p>	<p>The Turnbull Government has provided non-government schools with less certainty over government funding than ever before.</p> <p>From 2021, funding increases for all schools will revert to a floating rate based on economy-wide cost indexes (wage price index and consumer price index) that are difficult to forecast. The Turnbull Government is also in the process of replacing the most important parameter in its funding model for non-government schools (school SES scores). This has the potential to change future funding outcomes for almost every non-government school in Australia.</p> <p>Catholic schools are facing significant uncertainty over their funding while this review takes place. This is causing major difficulties in school planning and in providing information to prospective parents, threatening enrolments. The Turnbull Government has also committed to reviewing the loading for students with disability. This also has potential to significantly distort school funding outcomes.</p>
<p>“There will be a small number of schools that will experience some negative growth. That’s around 24 schools across Australia on our current estimates...we’ve come up with a model that ensures virtually every Australian school experiences growth”</p> <p>(Press conference with the Prime Minister and David Gonski, 2 May 2017)</p>	<p>The Turnbull Government cut funding for over 600 Catholic systemic schools.</p> <p>It has legislated a funding model that ensures over one-third of Catholic schools experience funding cuts.</p> <p>The Turnbull Government continues to pretend that it has not cut funding for one-third of Catholic schools simply because these schools are part of school systems.</p>

What Simon said...	What the Turnbull Government actually did...
<p>“We have made sure that the arrangements we have put in place treat everybody fairly, consistently, equitably for the future” (Press conference with the Prime Minister and David Gonski, 2 May 2017)</p> <p>“Our proposal is to treat every school fairly, equitably, under the same terms, regardless of their background, regardless of their school sector, regardless of their faith. That’s an incredibly fair approach to take” (Doorstop interview, Strathfield North Public School, 3 May 2017)</p> <p>“What I’m paid to do is ideally to put aside any sectoral interests, any state biases or interests and make sure that in the end what we deliver is a model that treats everybody fairly and consistently” “I think the fairness in the model we are proposing is compelling” (Address to National Press Club, 4 May 2017)</p> <p>“Our reforms will ensure that Catholic schools, independent schools are treated completely consistently” (Doorstop interview, Nazareth Catholic College, Adelaide, 5 May 2017)</p>	<p>The Turnbull Government legislated a funding model that is unfair for Catholic schools and inconsistent in the way it treats Catholic schools versus independent schools.</p> <p>The key parameter in the funding model for non-government schools, school SES scores, has been shown to be biased against low-fee schools (mostly Catholic schools) in favour of high fee schools (mostly independent schools). The CECV has estimated this measure over-funds elite independent schools by over \$250 million per annum.</p> <p>In addition, Catholic schools that are assessed to be “over funded” will transition to their lower funding entitlement over six years, while independent schools that are otherwise exactly the same will transition their lower funding entitlement over 10 years. This discrimination is currently forecast to cost Catholic systems over \$1 billion from 2018 to 2027.</p>
<p>“We are not going to continue with a system that is based on special deals for one state or another state, one sector or another sector” (Doorstop interview, Strathfield North Public School, 3 May 2017)</p> <p>“The whole point of the reforms we’ve announced is to get away from special deals, to get away from ancient sweetheart deals” (Address to National Press Club, 4 May 2017)</p>	<p>The Turnbull Government’s funding model contains several secret special deals that advantage elite independent schools.</p> <p>These include: ignoring the abundant private income of elite independent schools, to create the illusion that they have a ‘need’ for government funding; measuring the ‘need’ of independent schools using a parameter (school SES scores) that significantly underestimates the ability of their parents to pay fees; using a dodgy new dataset on students with disabilities that over-estimates the number of students in elite independent schools who are actually disadvantaged; and providing “over funded” independent schools with 10 years to transition to a lower funding entitlement, while other “over funded” schools receive only six years.</p>

What Simon said...	What the Turnbull Government actually did...
<p>“A permanent, enduring Commonwealth model that is truly based on need and truly sector blind.” (Address to National Press Club, 4 May 2017)</p>	<p>The Commonwealth model is being significantly changed less than 12 months after the Senator announced it would be “permanent” and “enduring”.</p> <p>This change will be required following the review of school SES scores and is needed as the funding model announced by the Minister was deeply flawed. Both school SES scores and the new approach for calculating the loading for students with disability are biased in favour of elite independent schools.</p> <p>Either the Minister did not realise his funding model was deeply flawed or sought to create funding arrangements that were biased in favour of elite independent schools. Senator Birmingham has been humiliated by being forced to agree to review both SES scores and the new approach for calculating the loading for students with disability shortly after he announced he was legislating a “permanent, enduring” funding model.</p>
<p>“Aside from the Opposition playing opposition politics with this issue, the only critics have been those seeking to preserve special deals at the expense of consistency and fairness...what we’re seeing is push-back to try and achieve another special deal of some sort, rather than acceptance of what we want to do” (Address to National Press Club, 4 May 2017)</p> <p>“The only real critics that seem to exist are either the Labor Party playing oppositionist politics, or indeed some of those trying to cling onto different sectoral vested interests from the states or others which, frankly, they should give up on and support a true, equitable, needs-based funding approach” (Doorstop interview, Nazareth Catholic College, Adelaide, 5 May 2017)</p>	<p>Senator Birmingham crudely rebuffed Catholic education authorities when they raised well-founded concerns.</p> <p>Senator Birmingham claimed that rigorous and detailed research undertaken by Catholic education, that found the key parameter used in the funding model to measure “need” in non-government schools (school SES scores) was deeply flawed and biased, was somehow an attempt “to preserve special deals at the expense of consistency and fairness”.</p> <p>The Minister ignored and dismissed this research on several occasions and fought against reviewing school SES scores at every turn.</p> <p>Ultimately, the weight of evidence in support of the position of Catholic education forced Senator Birmingham to concede to a review of school SES scores, which will result in significant change to the funding model announced by the Minister.</p>
<p>“I think the prospect of the states and territories agreeing to give up that level of their constitutional autonomy, in terms of their funding of Australia schools, is pretty slim” (Address to National Press Club, 4 May 2017)</p>	<p>The Turnbull Government legislated new funding arrangements that will place unprecedented controls over how the states and territories fund their schools.</p> <p>States and territories will be required to meet new funding benchmarks, for both government and non-government schools, in order to be eligible to receive Australian Government funding.</p> <p>These will require some states to massively increase their funding of schools.</p>
<p>“In terms of the way in which the Schooling Resource Standard is built, I’ve not proposed changes...Because I didn’t want, in proposing these reforms, for them to be getting more complicated than they already are” (Address to National Press Club, 4 May 2017)</p>	<p>Due to flaws in the model legislated by the Turnbull Government, Senator Birmingham is now being required to consider changes.</p> <p>These changes are likely to involve the use of parental tax returns to fund non-government schools.</p> <p>This will make funding arrangements much more complicated than they already are.</p>

What Simon said...	What the Turnbull Government actually did...
<p>“Well I’ve had, I have to say, pretty much nothing but praise and pleasure from many of my colleagues, and I’m confident that they want to see us fix this issue, that they’re pleased and happy that they’ll be in a position to go out and explain to schools in their electorates how much extra funding those schools are going to receive under the Turnbull Government”</p> <p>(Address to National Press Club, 4 May 2017)</p>	<p>Senator Birmingham is under growing pressure within his own party to fix the funding mess he has created.</p> <p>Now that the full reality of Minister Birmingham’s funding reforms has become clear – that these reforms will lead to significant fee increases and school closures in Catholic education – many members of the Government have demanded that the Minister develop a fairer approach to funding Catholic schools.</p>
<p>“Low-fee schools in the non-government sector will be clear winners out of the reforms that we are proposing, and that will only help to empower, embolden, enable greater parental choice in the future”</p> <p>(Address to National Press Club, 4 May 2017)</p>	<p>The funding model legislated by the Turnbull Government is a direct, unprecedented assault on low-fee non-government schools and on the fundamental Coalition principal of parental choice in education.</p> <p>Senator Birmingham’s funding model expects that hundreds of Catholic primary schools across Australia will double or triple their fees, which will greatly deny the ability of many families to choose these schools.</p> <p>Under this model, Catholic primary schools can be estimated to need less than one-quarter of the funding of an adjacent government primary school, even if they enrol the exact same student. The simple fact is that the funding arrangements announced by Minister Birmingham make low fee, non-government schools unviable in many parts of Australia.</p>
<p>“Over the coming days we will make available an online estimator for all schools to be able to have a look at what the Turnbull Government’s comprehensive school improvement and quality package means for them. And what those school principals, school leaders, parents will be able to be reassured by is they will be able to see the real growth that is there for their schools...</p> <p>“I trust the facts will speak for themselves...I trust that school principals, teachers, council leaders, council bodies will take the time to look at the detail and see how it helps them, benefits them, and, overall, creates a much fairer system for everyone...”</p> <p>(Address to National Press Club, 4 May 2017)</p>	<p>The School Funding Estimator initially released by the Turnbull Government – in order to persuade their own backbench and Senate crossbenchers to support the legislation – contained misleading, “fantasy” figures to disguise funding cuts for many Catholic and government schools.</p> <p>The misleading way these figures were developed resulted in the NSW Education Department advising all their schools not to trust the figures on the School Funding Estimator.</p> <p>Officials from the federal Education Department eventually conceded in Senate estimates that the figures published on the School Funding Estimator applied the wrong funding model in 2017, which would result in the impression all schools would gain funding. The Minister also conceded that the website did not reflect the funding that Catholic and government schools would actually receive.</p> <p>The Government cynically removed the misleading figures after the parliament passed its legislation.</p>
<p>“What we are doing now is a true and accurate reflection of what David Gonski’s work really advised governments to act on”</p> <p>(Address to National Press Club, 4 May 2017)</p>	<p>The school funding reforms announced by the Turnbull Government overlooked several recommendations in the final report of the Gonski panel.</p> <p>These included that school SES scores – the key parameter that estimates need in Catholic and independent schools – be reviewed and replaced as soon as possible. In the meantime, the Gonski panel advocated use of system-average SES scores. These key elements were totally ignored by Senator Birmingham.</p> <p>Senator Birmingham fought against a review of school SES scores at every turn, until the weight of evidence gathered by Catholic education made this position untenable.</p>

What Simon said...	What the Turnbull Government actually did...
<p>“Catholic school parents and principals around the country should be absolutely reassured...there’s no reason that they should fear or expect fee hikes” (Doorstop interview, Canberra, 4 May 2017)</p>	<p>The Turnbull Government has cut funding for over 600 Catholic systemic schools by an average of nearly \$600,000 each, or just under \$2,000 per student.</p> <p>In addition, the Turnbull Government has undertaken a range of unprecedented actions to limit the extent that Catholic systems can reallocate grants between schools.</p> <p>As a result, many Catholic school parents and principals around the country can indeed expect significant fee hikes – as some have already experienced in 2018 – due to the policies of the Turnbull Government.</p>
<p>“Our view is that... if you change the sign on the school gate and otherwise keep all the enrolments exactly the same, they should have identical federal funding. It seems terrible unfair to want to try and perpetuate a system where a school can get a different level of funding just because it happens to operate in a different system” (Doorstop interview, Canberra, 4 May 2017)</p>	<p>Senator Birmingham’s model treats schools differently just because they happen to operate in a different system.</p> <p>Under the new funding model, Catholic primary schools can be estimated to need less than one-quarter of the funding of an adjacent government primary school, even if they enrol the exact same student.</p> <p>In addition, Catholic schools that are assessed to be “over funded” will transition to their lower funding entitlement over six years, while independent schools that are otherwise exactly the same will transition their lower funding entitlement over 10 years. Schools are indeed treated differently based on the “sign on the school date”. This discrimination is forecast to cost Catholic systems over \$1 billion from 2018 to 2027.</p>
<p>“There were numerous meetings between myself and representatives of Catholic education systems, my office, my department, and various discussions... It was a consultative process” (Doorstop interview, Nazareth Catholic College, Adelaide, 5 May 2017)</p>	<p>Senator Birmingham did not engage with Catholic education on the substance of his funding reforms. These were presented to Catholic education as a fait accompli moments before the Turnbull Government announced the changes publicly. This is despite the fact these funding changes will drive the radically restructure of Catholic education across Australia.</p> <p>When Catholic education did try to engage with the Minister on a policy issue of substance – by providing a detailed report to the Minister highlighting problems with school SES scores, two months before the funding announcement – the Minister completely ignored this research.</p>