

FUTURE FUNDING ARRANGEMENTS FOR NON-GOVERNMENT SCHOOLS

Australian Conference of Lutheran Education

2 October 2008



Australian School Enrolments 2007

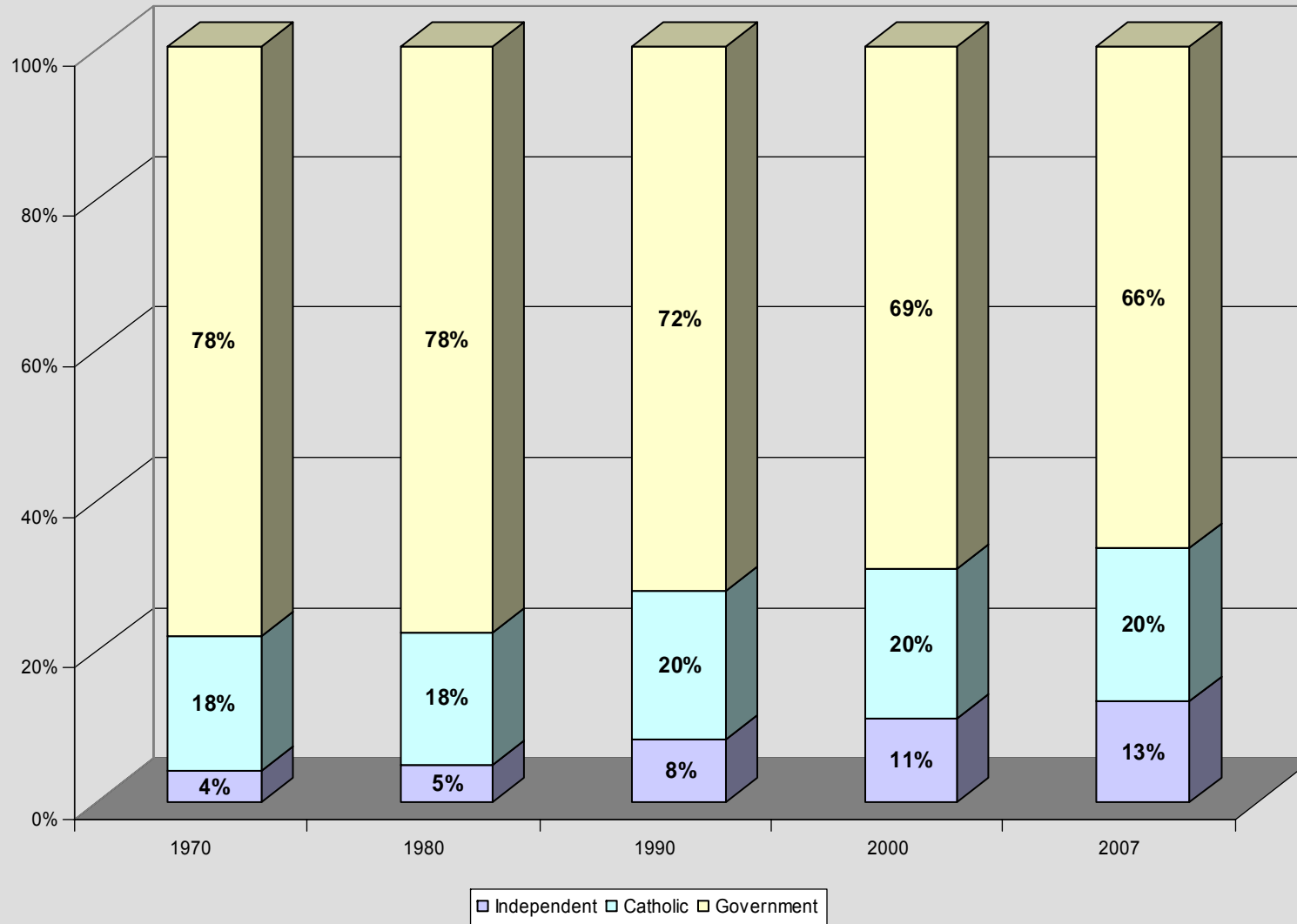
	Schools	Students	Enrolment share		
			TOTAL	SECONDARY	SENIOR SEC
Independent*	1,025	458,339	13.4%	17.1%	18.6%
Catholic	1,703	691,242	20.2%	21.5%	21.5%
Government	6,851	2,277,435	66.5%	61.5%	59.9%
TOTAL	9,579	3,427,016	100.0%	100.0%	100.0%

SOURCE: ABS Schools Australia 2007

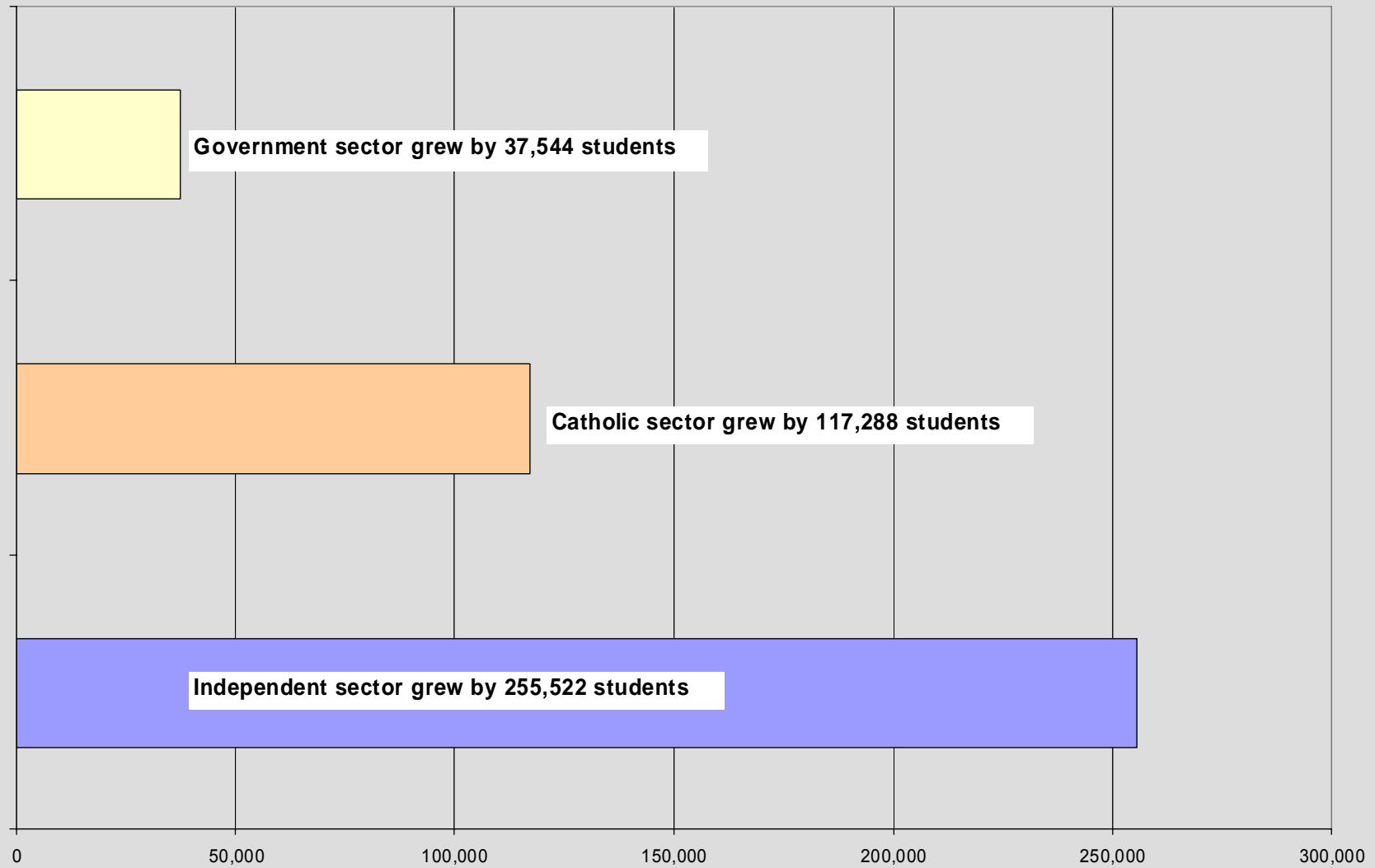
*** When including independent Catholic schools:
1100 schools educating 510,989 students**



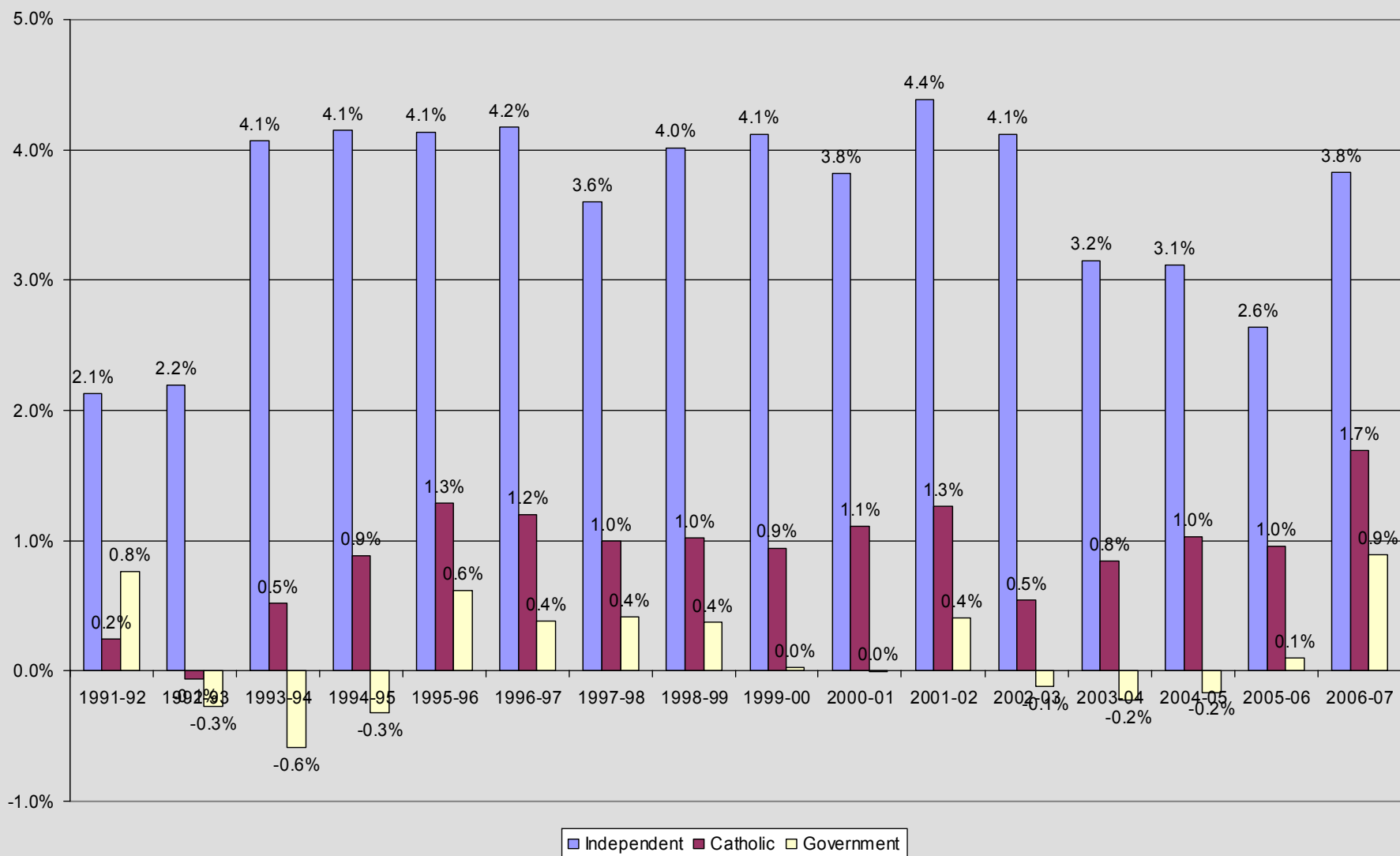
Enrolment Share by Sector 1970 - 2007



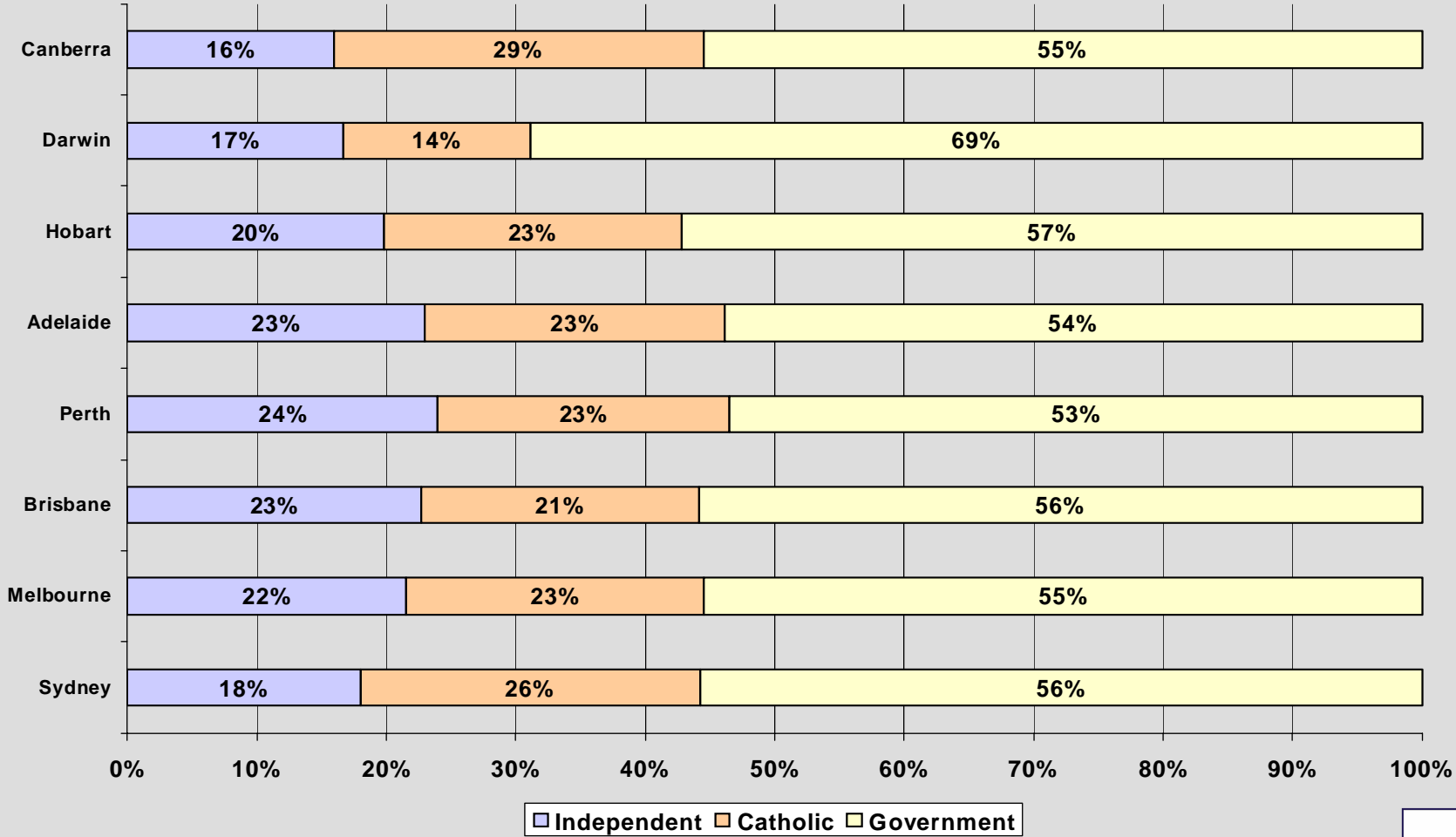
Enrolment Change by Sector 1985 - 2007



Enrolment Growth by School Sector 1991 - 2007



Secondary Enrolment Share by Capital City 2006



SOURCE: ABS Population Census 2006



Projected Total School Enrolment Change 2007 to 2017

	2007	2017	Change
Primary	1,969,303	2,238,829	269,526
Secondary	1,447,220	1,509,036	61,816
Total	3,416,523	3,747,865	331,342

Source: DEEWR Enrolment Projections 2008

Projected Enrolment Change 2007 to 2017 – by Sector

	2007	2017	Change (no.)	%
Government Schools				
Primary	1,381,557	1,544,871	163,314	12%
Secondary	886,820	853,424	-33,396	-4%
Total	2,268,377	2,398,295	129,918	6%
Catholic Schools				
Primary	378,355	432,268	53,913	14%
Secondary	312,555	329,859	17,304	6%
Total	690,910	762,127	71,217	10%
Independent Schools*				
Primary	209,391	261,690	52,299	25%
Secondary	247,845	325,753	77,908	31%
Total	457,236	587,443	130,207	28%

*Does not include independent Catholic schools

Source: DEEWR Enrolment Projections 2008



Projected Enrolment Change in Independent Schools - 2007 to 2017

	2007	2017	Change in number of students	Equivalent no. of new schools*
Primary	209,391	261,690	52,299	112
Secondary	247,845	325,753	77,908	168
Total	457,236	587,443	130,207	280

*In 2007 the average size of an independent school is approximately 465 students.

Source: DEEWR Enrolment Projections 2008

QLD Projected Enrolment Change 2007 to 2017 - by Sector

	2007	2017	Change (no.)	%
Government Schools				
Primary	308,698	364,464	55,766	18%
Secondary	170,185	157,299	-12,886	-8%
Total	478,883	521,763	42,880	9%
Catholic Schools				
Primary	71,341	90,233	18,892	26%
Secondary	50,248	56,302	6,054	12%
Total	121,589	146,535	24,946	21%
Independent Schools*				
Primary	48,035	67,681	19,646	41%
Secondary	49,396	72,014	22,618	46%
Total	97,431	139,695	42,264	43%
All Schools				
Primary	428,074	522,378	94,304	22%
Secondary	269,829	285,615	15,786	6%
Total	697,903	807,993	110,090	16%

*Does not include independent Catholic schools

Source: DEEWR Enrolment Projections 2008

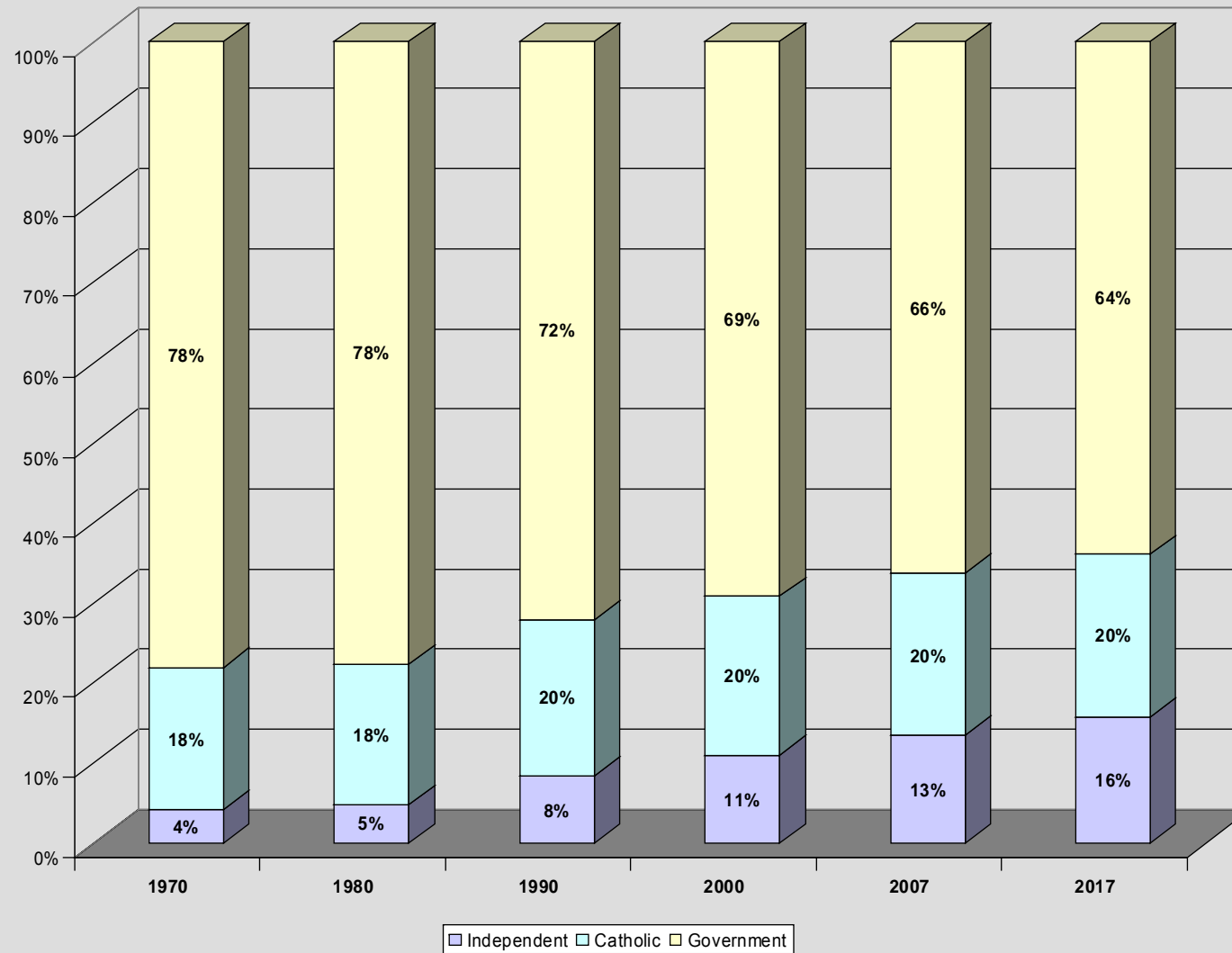
SA Projected Enrolment Change 2007 to 2017 – by Sector

	2007	2017	Change (no.)	%
Government Schools				
Primary	106,384	107,227	843	1%
Secondary	57,520	53,958	-3,562	-6%
Total	163,904	161,185	-2,719	-2%
Catholic Schools				
Primary	27,979	29,013	1,034	4%
Secondary	18,621	19,600	979	5%
Total	46,600	48,613	2,013	4%
Independent Schools*				
Primary	22,755	25,541	2,786	12%
Secondary	18,190	21,739	3,549	20%
Total	40,945	47,280	6,335	15%
All Schools				
Primary	157,118	161,781	4,663	3%
Secondary	94,331	95,297	966	1%
Total	251,449	257,078	5,629	2%

*Does not include independent Catholic schools

Source: DEEWR Enrolment Projections 2008

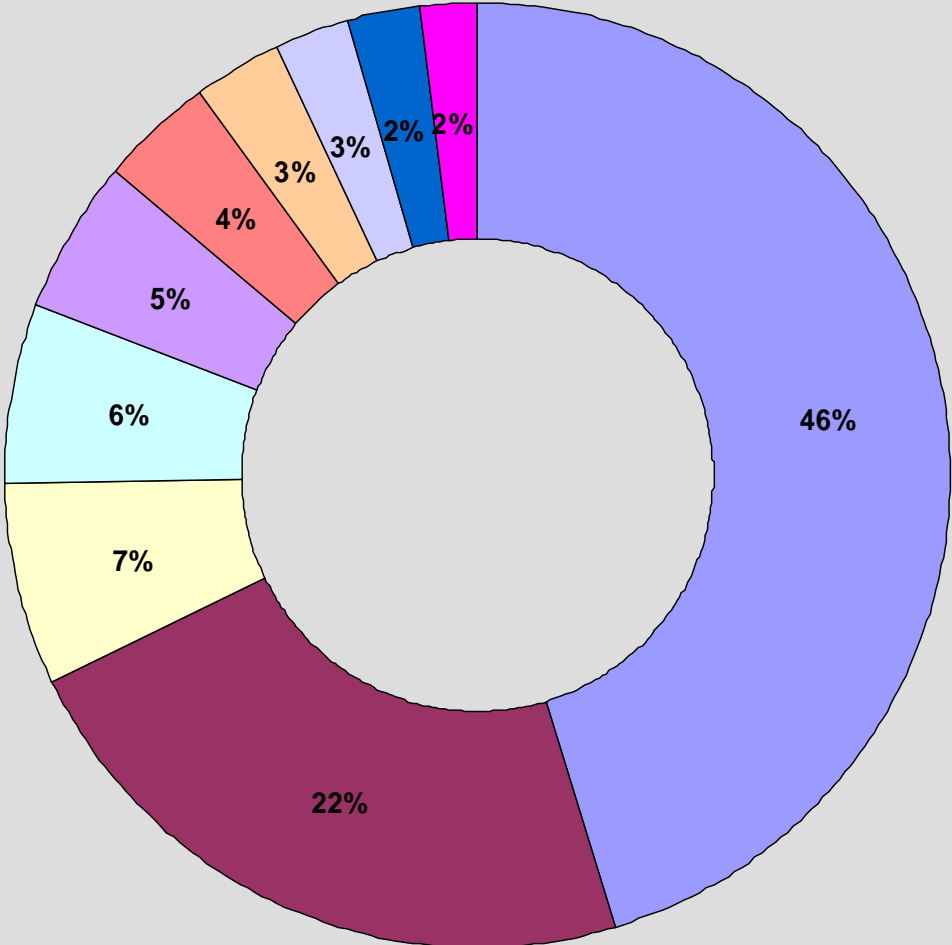
Proportion of enrolments by sector, 1970 to 2007 (+ projected 2017)



Sector Diversity

Indigenous students	7,446
Independent schools with over 50% indigenous enrolment	38
Students with disabilities	9,961
Special schools	29
Overseas students	9,932
Boarding students	16,926
Boarding schools	147
Schools with less than 200 students	43%
Schools with 200 – 1,000 students	42%
Schools with 1,000 – 2,000 students	14%
Combined schools (primary & secondary)	60%

Overseas Students in Australian Schools 2007



- China
- Korea
- Vietnam
- Hong-Kong
- Japan
- Germany
- Malaysia
- Thailand
- Taiwan
- Indonesia



SOURCE: Australian Education International.

Independent Schools

Number of schools 2007

Primary	279	27%
Secondary	105	10%
Combined	612	60%
Special schools	29	3%
Total	1025	100%
Boarding schools	147	

Location of schools

Metropolitan	69%
Provincial	28%
Remote	4%

Independent School Affiliations

<i>Affiliation</i>	<i>Number of schools</i>	<i>Percentage of students</i>
Anglican	151	25.4%
Non-Denominational	196	13.7%
Roman Catholic	75	10.4%
Uniting Church in Australia	41	9.1%
Christian Schools	130	9.0%
Lutheran	84	6.4%
Inter-Denominational	23	3.3%
Baptist	43	3.3%
Islamic	30	3.1%
Presbyterian	15	2.1%
Seventh Day Adventist	56	2.0%
Jewish	20	1.7%
Steiner School	43	1.4%
Pentecostal	18	1.3%
Assemblies of God	15	1.3%
Greek Orthodox	8	0.8%
Montessori School	36	0.7%
Brethren	8	0.7%



School Staff 2007

	Teaching staff	Non-teaching staff	Total numbers	Ratio of teaching to non-teaching staff
INDEPENDENT	44,083	24,126	68,209	1.8
CATHOLIC	53,142	23,297	76,439	2.3
GOVERNMENT	179,597	85,433	265,030	2.1
Total	276,822	132,856	409,678	

SOURCE: ABS Schools Australia 2007

FTE Teaching and Non-Teaching Staff 1997-2007

	Change 1997 - 2007		
	Students	Teachers	Non-Teaching
Independent	43.6%	56.4%	93.8%
Catholic	10.9%	22.5%	65.5%
Government	1.6%	10.5%	51.7%

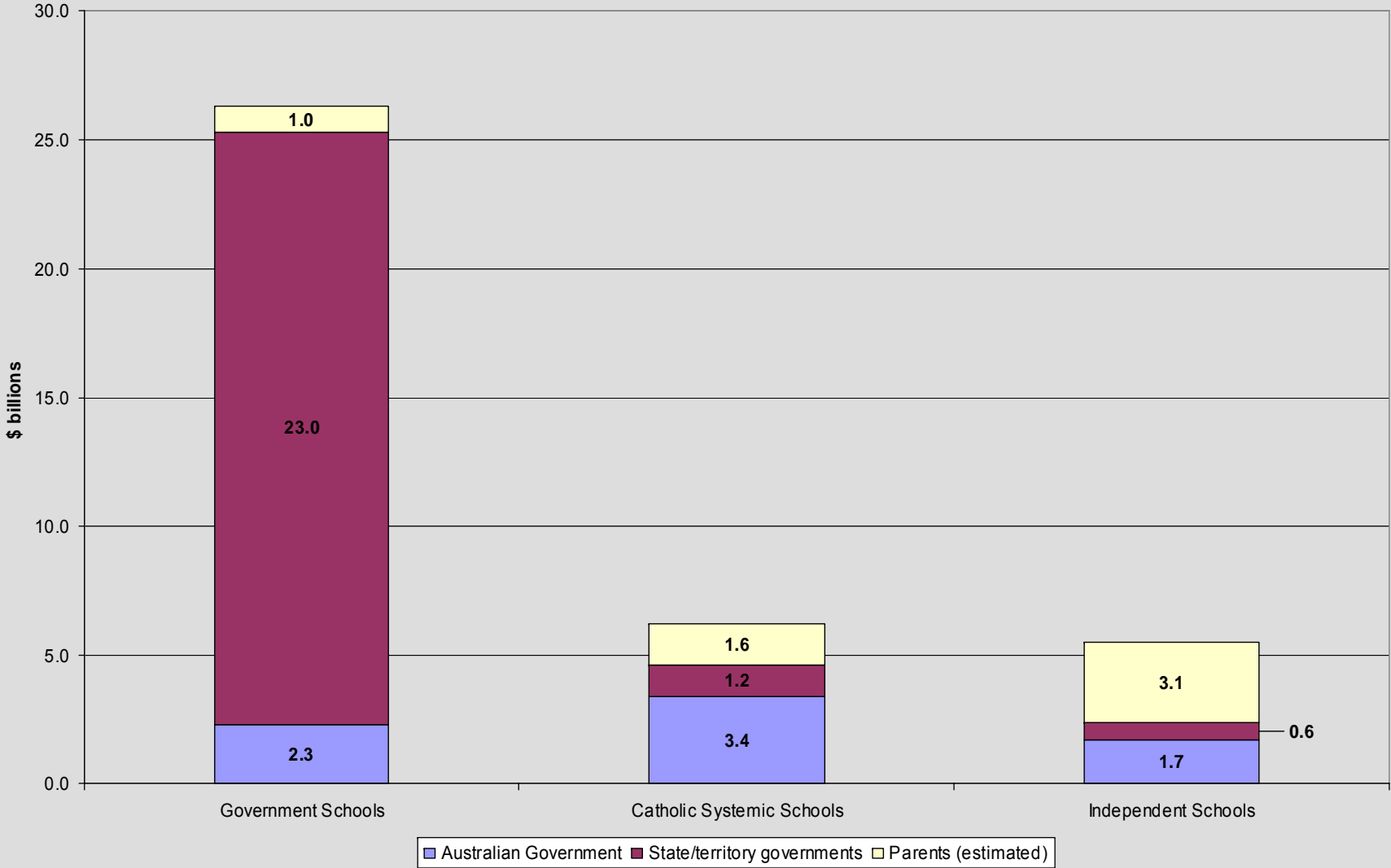
Student to Teacher Ratios 1973 - 2007

Year	Government		Non-Government			
			Catholic		Independent	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
1973	25.1	16.2	29.6	22.2	17.1	14.2
1981	20.0	12.3	23.6	16.2	17.5	13.2
1990	17.9	12.0	21.1	14.0	16.9	12.2
1997	17.6	12.9	20.0	13.7	16.0	11.6
2000	17.1	12.4	19.1	13.4	15.6	11.4
2007	15.7	12.3	17.8	12.8	14.7	10.5

Australian Government Funding

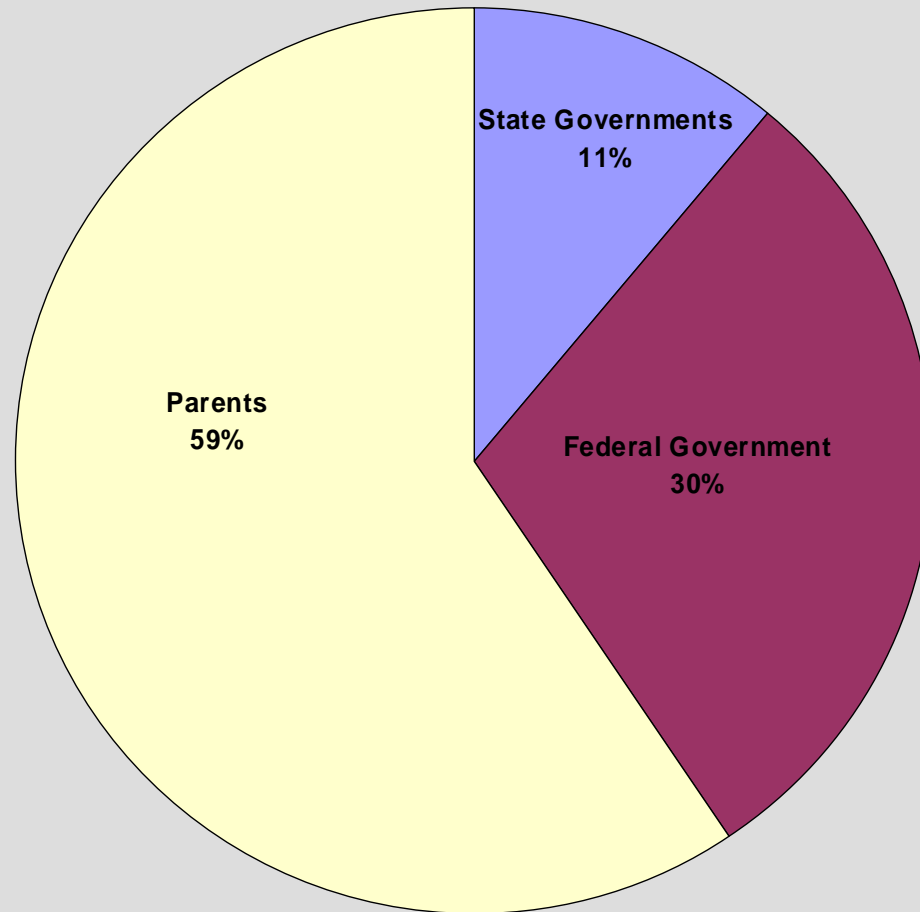
- **Recurrent funding**
 - **General recurrent funding**
 - Accounts for 90% of federal funding to independent sector
 - **Targeted and specific purpose funding**
 - To meet student need (eg indigenous students; students with disabilities)
 - To achieve specific goals (eg literacy and numeracy; quality teaching)
- **Capital funding**

Schools Recurrent Funding 2005-06 (\$billions)



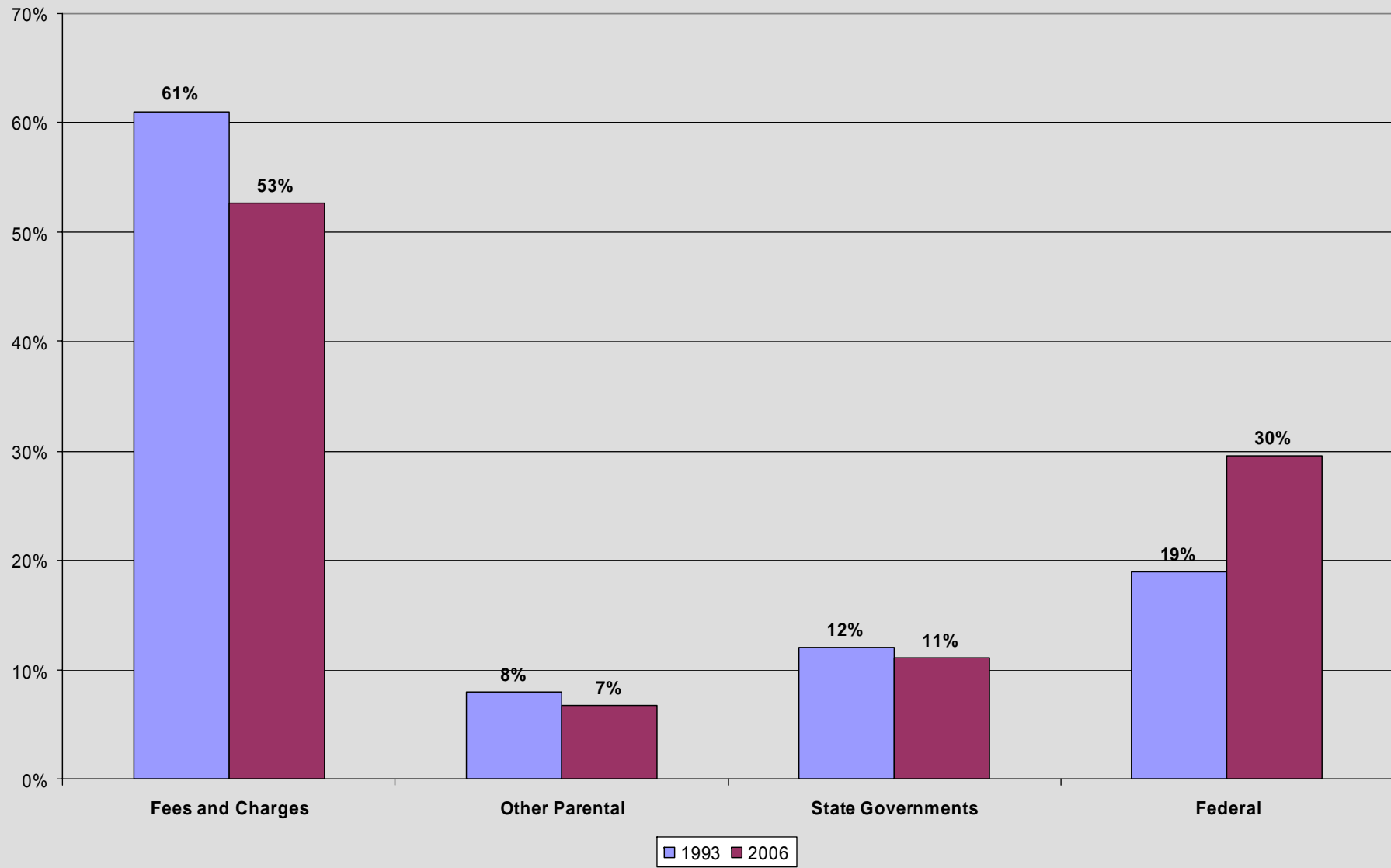
SOURCE: Productivity Commission Report on Government Services 2008 and DEST/DEEWR Financial Questionnaire Data 2005 and 2006 (latest available data)

Independent Sector Income 2006

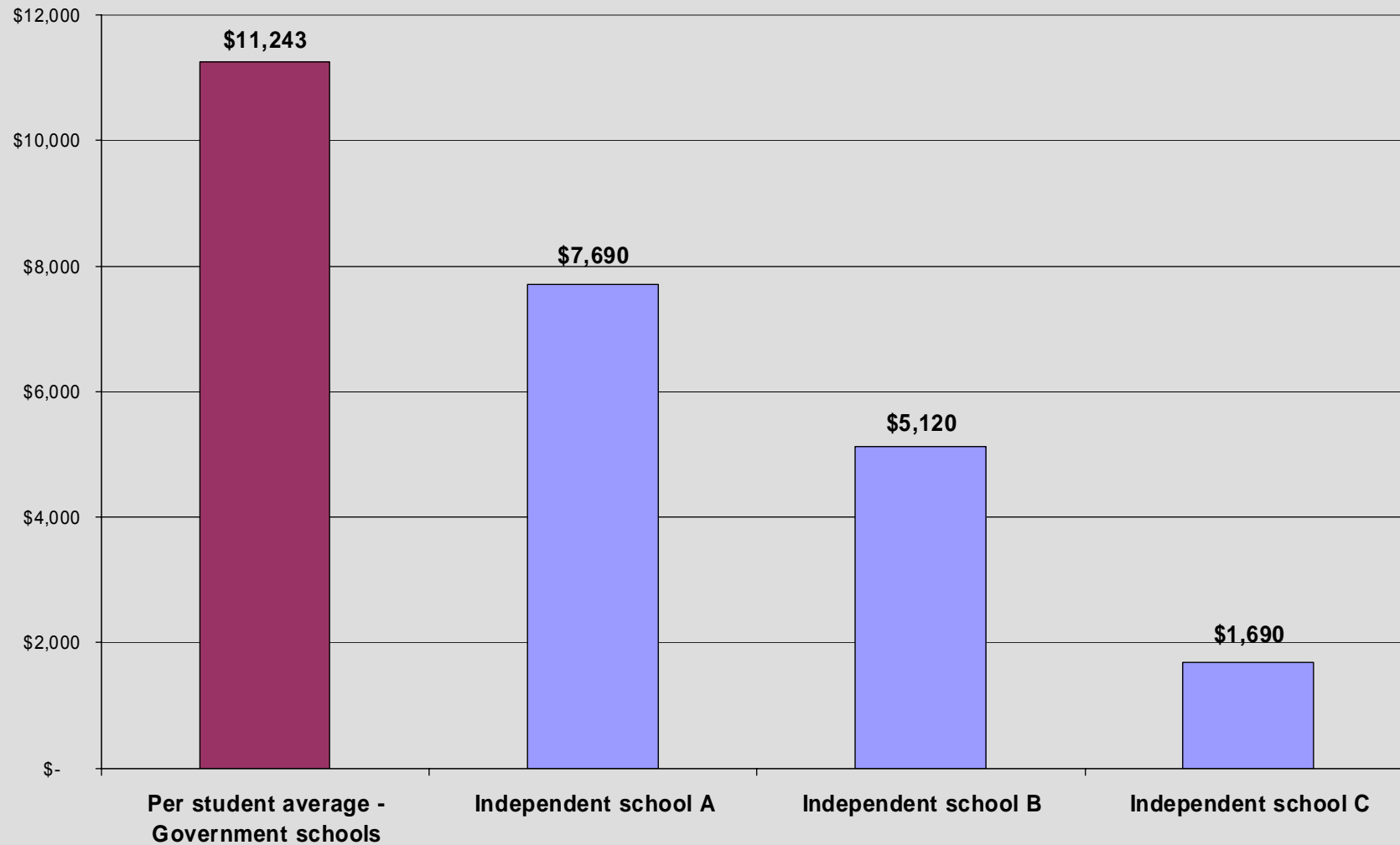


SOURCE: DEST/DEEWR Financial Questionnaire Data 2006 (latest available data)

Independent Sector Income 1993 and 2006



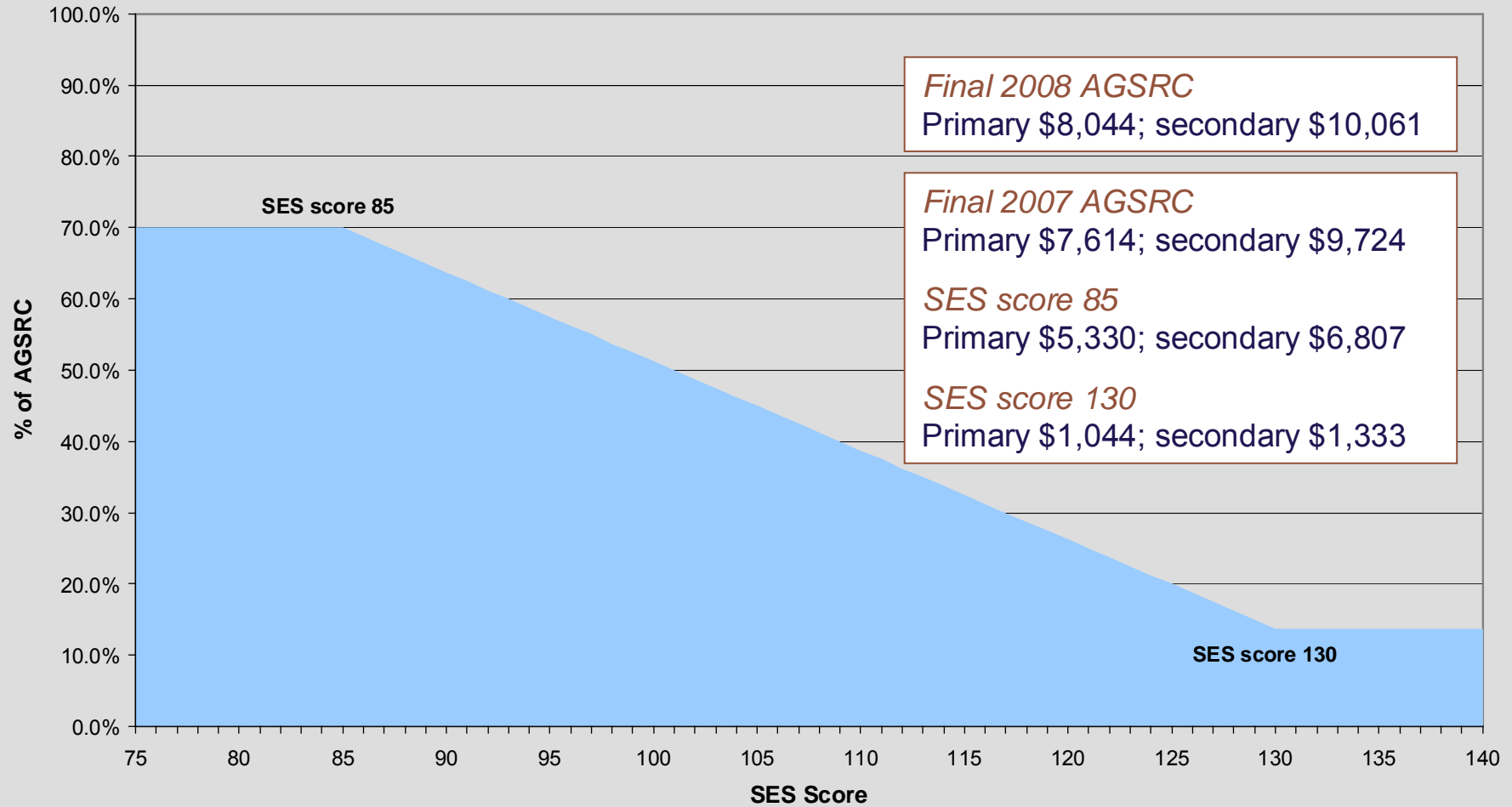
Total Government Recurrent Funding Per Student – Government and Independent Schools 2005-06



SOURCE: Productivity Commission Report on Government Services 2008, DEEWR 2006 SES data and 2006 State/Territory funding data.

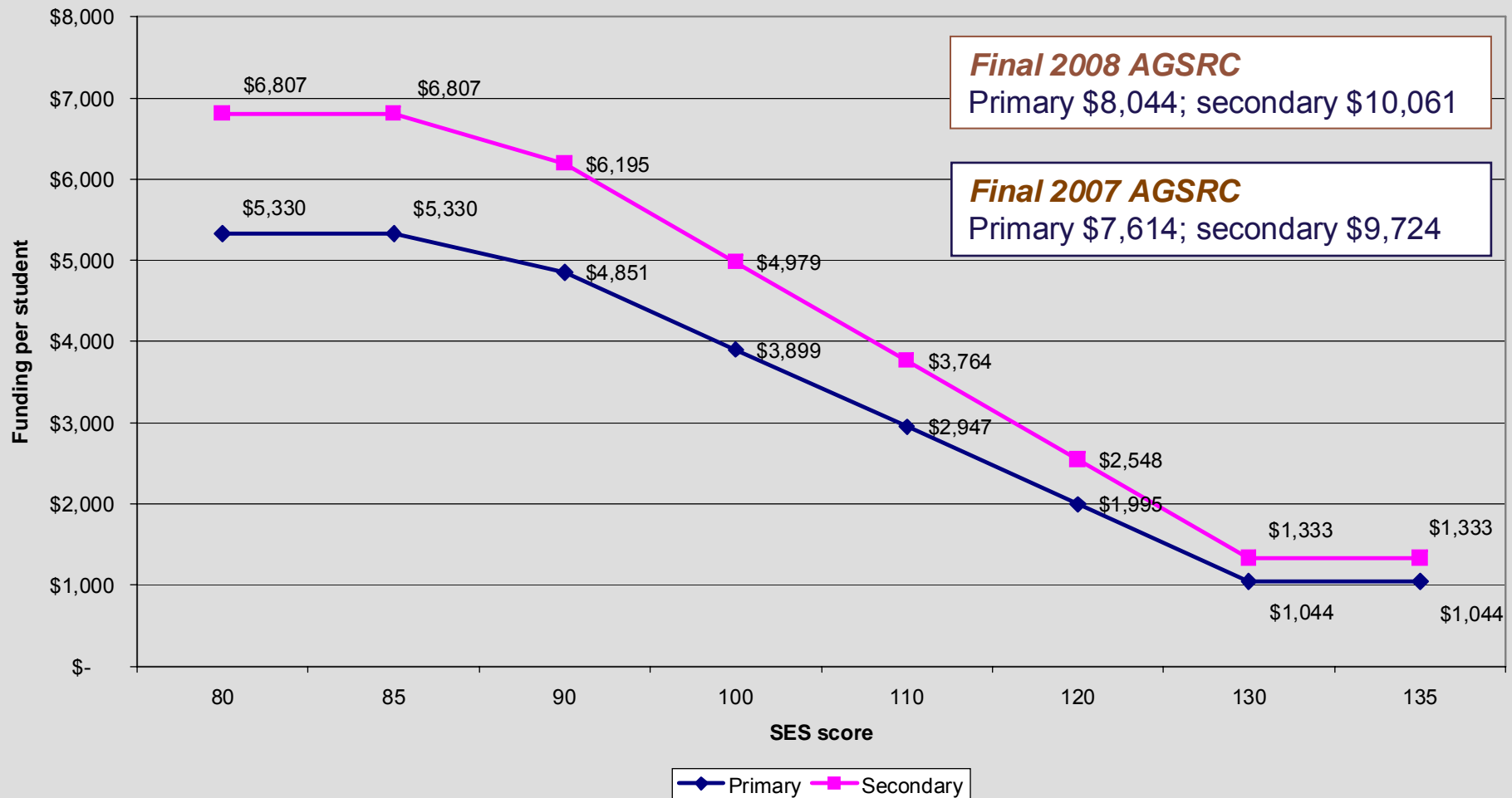
The SES System

Sliding Scale of Funding Entitlement According to SES Status

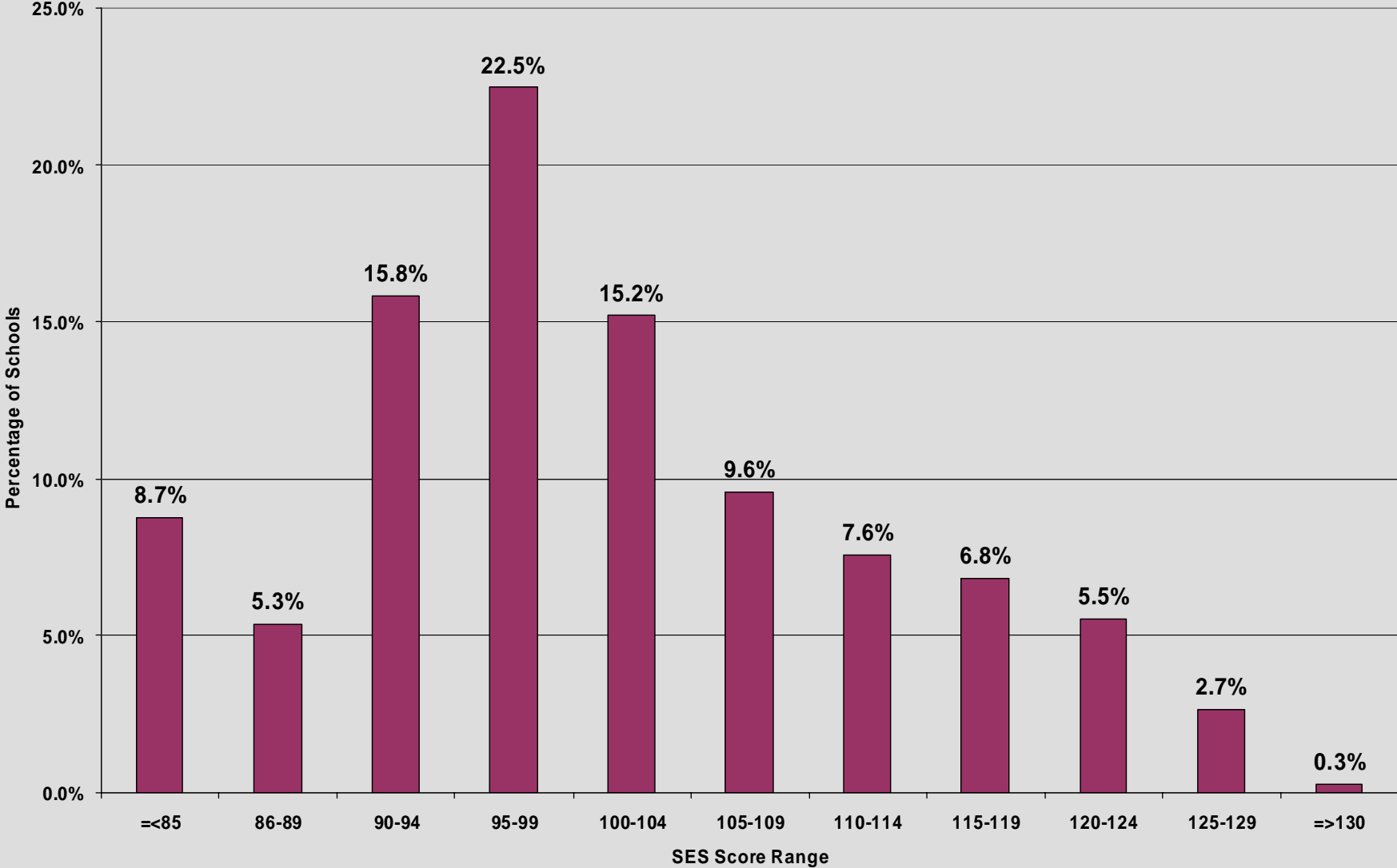


The SES System

Australian Government general recurrent funding for non-government schools - per student grants by SES score 2007



Distribution of independent schools by SES Score 2007



Movement in the AGSRC

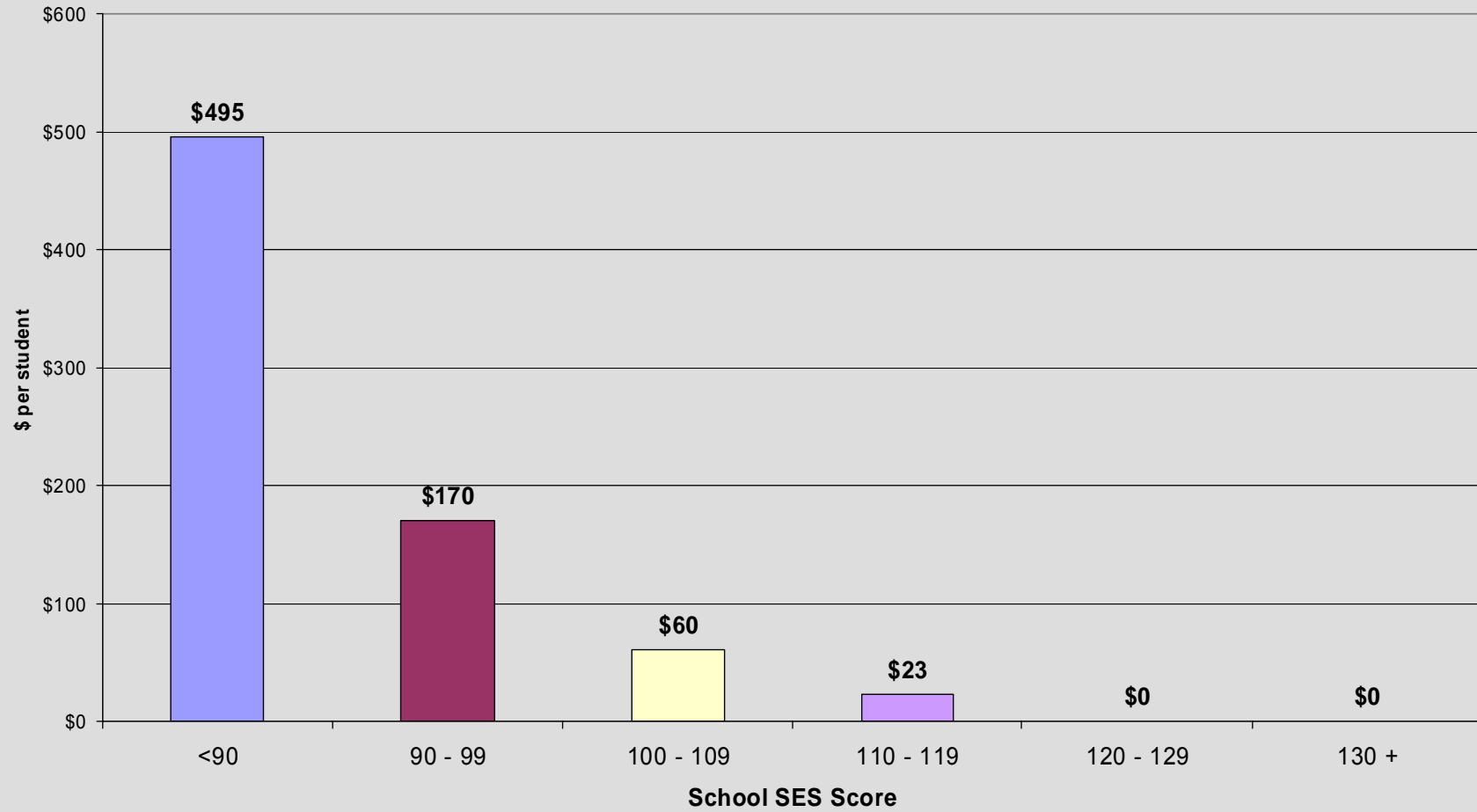
	Primary AGSRC	Secondary AGSRC
1994	4.6%	5.9%
1995	2.4%	3.5%
1996	2.8%	-0.3%
1997	6.2%	5.2%
1998	5.1%	5.2%
1999	7.3%	4.0%
2000	8.2%	5.2%
2001	6.4%	7.2%
2002	5.2%	5.2%
2003	7.1%	7.4%
2004	8.7%	7.2%
2005	3.1%	4.6%
2006	6.3%	3.6%
2007	5.5%	4.3%
2008	5.6%	3.5%

Average Annual Increase 1994 to 2008:
Primary 5.7%; Secondary 4.7%



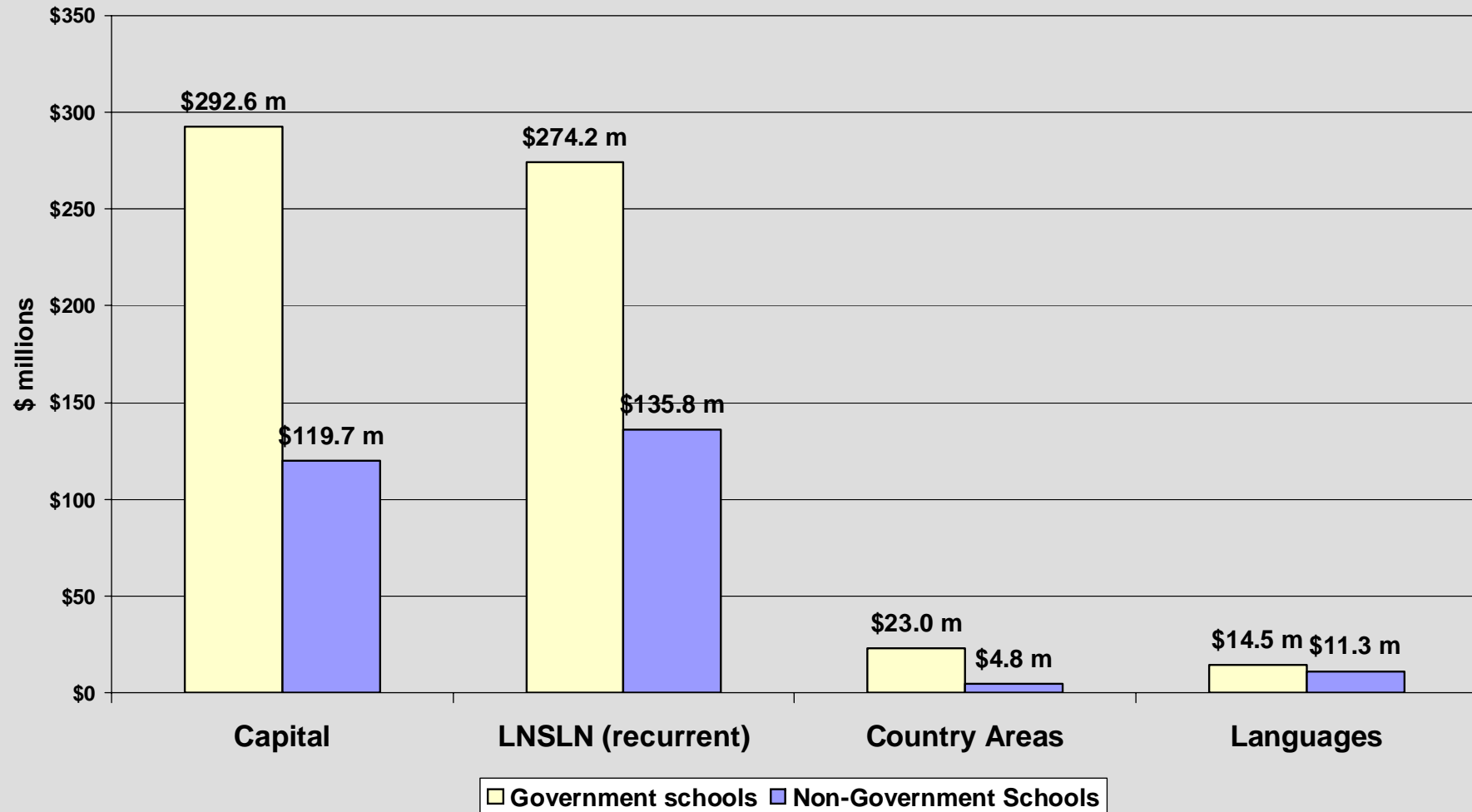
Capital Funding Distribution

Australian Government capital funding for independent school students
by school SES score, 2006



Targeted Programs 2007

Estimated Australian Government Targeted Program Funding 2007



SOURCE: DEST/DEEWR Quadrennial Administrative Guidelines 2007

ALP Policy Initiatives Summary

- **A commitment to maintain the existing SES funding arrangements, including indexation and the resultant general recurrent funds for each independent school until the end of the 2009 – 2012 quadrennium**
- **A tax refund for families in receipt of Family Tax Benefit (Part A) for 50% of specified education expenses up to \$750 per year for each child in a primary school and \$1,500 for each child in a secondary school**
- **All schools to be provided with ‘fibre to the premises’ broadband connections**
- **All students in Years 9 – 12 to have access to their own computer at school**
- **Capital funding of \$0.5 million to \$1.5 million for each secondary school for ‘trade training centres’**
- **Three new boarding colleges for indigenous students in the NT**
- **A shared capital facilities program of \$62.5 million for 25 pilot projects**

ALP Policy Initiatives Summary (cont)

- **A National Curriculum Board (with independent sector representation) to be established to develop national curriculum in key subjects by 2010**
- **Universal access to early learning and development programs for 4 year olds with funding for 15 hours per week**
- **Responsibility for early childhood to be transferred to the Department of Education**
- **Support for national Year 3, 5, 7 and 9 benchmark testing and publication of results at school level**
- **Support for student reports expressed in A to E grading**
- **A National Asian Language and Studies in Schools Programme**
- **Up to \$50,000 for schools to fit solar panels and energy efficient improvements**

Ministerial Responsibility

Kim Carr

*Minister for Innovation, Industry, Science and Research
Minister representing the Minister for Education in the Senate*

Bill Shorten

Parliamentary Secretary for Disabilities and Children's Services

Stephen Conroy

Minister for Broadband, Communications and the Digital Economy

Kevin Rudd

Prime Minister

Julia Gillard

*Deputy Prime Minister
Minister for Education, Employment and
Workplace Relations*

Maxine McKew

Parliamentary Secretary for Early Childhood Education and Child Care

Kate Ellis

Minister for Youth and Sport

Wayne Swan

Federal Treasurer

John Faulkner

Cabinet Secretary/ Minister for State

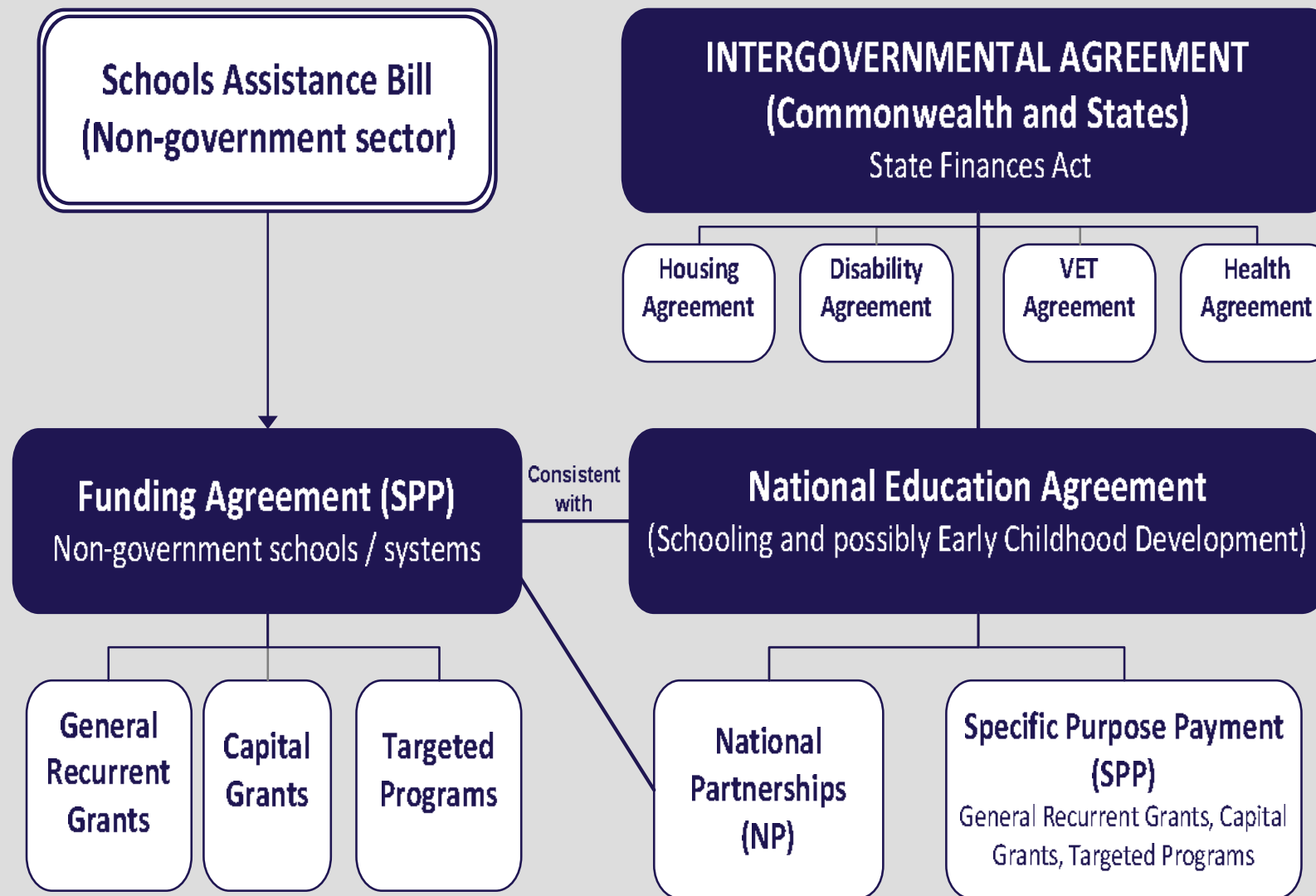
Lindsay Tanner

Minister for Finance



Independent Schools
Council of Australia

Proposed Funding Framework



National Education Agreement

- Schooling and Early Childhood Development to be covered by a single SPP
- NEA will consist of:
 - *Statement of objectives and outcomes* shared by Commonwealth and states including roles and responsibilities and performance reporting framework
 - *Specific Purpose Payment (SPP)*, major funding vehicle for government schooling
 - *National Partnerships (NP)* agreed and funded by COAG
 - Certain Commonwealth election commitments
- Ongoing agreement, periodically reviewed

Schooling NP Proposals

Addressing educational needs in low-SES school communities

- COAG announced this NP in March. How it will work, and funding level, will be agreed in October.
- MCEETYA currently considering:
 - menu of interventions to improve outcomes
 - how to identify the schools (Potential Problem for Non-Govt Schools.)

Improving teacher quality

- COAG will decide whether to fund the proposal in October.
- Reform initiatives to target critical points in the teacher lifecycle to:
 - **attract** the best entrants to teaching
 - **train** future teachers
 - **place** and support quality teachers and leaders in all schools
 - **develop** teachers' skills and knowledge
 - **retain** quality teachers and school leaders in our schools

Other NPs

Several NPs were funded in the Budget:

- Digital Education Revolution (\$1.2bn, 5yrs)
- Trade Training Centres (\$2.5bn, 10yrs)
- Improvement of literacy and numeracy outcomes
- (\$577.4m, 4yrs)

DER and TTC will continue to operate similarly to current arrangements (including non-government involvement)

Schools Funding 2009-2012

Government commitments: *Schools Assistance Bill 2008*

- To adopt the existing SES funding model for 2009-2012
- To make the current 2005-2008 funding agreement and schools indexation formula the minimum starting point for negotiations with the States, Territories, Catholic and Independent school systems
- No school to lose a dollar
- Current indexation arrangements to remain the same

Review of Funding

- No TOR
- All schools?
- All sources of funding?
- Timelines 2009 → 2011
- To apply from 2013

Influencing Factors (1)

- Balance of power: C/W – States
- C/W major funder of non-govt schools
- State support varies
- Primary/ Secondary different ???
- High cost locations – rural remote
- High cost students – SWD, LOTE, Indigenous
- Rewarding Teachers
- Targeted program delivery

Influencing Factors (2)

- NPP's impact
- Impact of tax rebate
- Fee levels
- Funding maintenance
- Independence – systems
- Partnerships
- Joint funding

Threats

- Trend to conformity
- Inroads on autonomy
- Reduced support for some schools?
- Quadrennial stability?
- Resources based model?
- Antagonists – AEU, others

Funding Models

Fundamental Concepts

- **Individual choice of Schooling**
- **Diversity of schooling options**
- **Committed partnerships between schools, parents and governments**

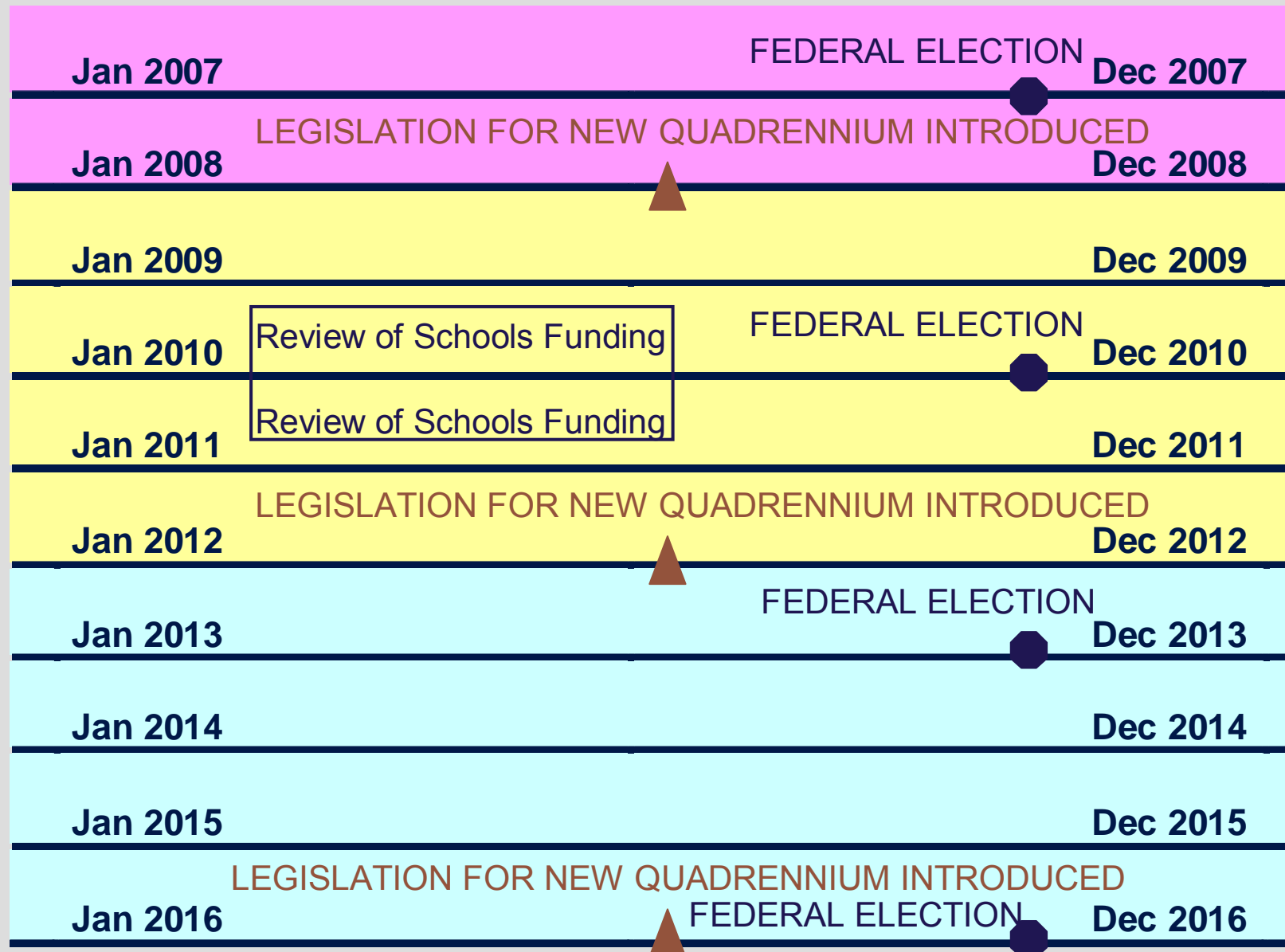
Principles that should underpin schools funding policies

- **Basic entitlement for all students**
- **Additional needs – base support**
- **Stability for families and schools**
- **Annual indexation**

Essential criteria for government funding for school education in Australia:

- **Equity**
- **Incentive**
- **Flexibility**
- **Transparency**
- **Simplicity**
- **Predictability**

Legislation Timeline



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What Matters Most?