



## Australian College of Educators

# Submission to the Consultation on the Draft Terms of Reference for the Review of Schools Funding

31 May 2010

### Introduction

The Australian College of Educators welcomes the Review of Schools Funding and the assurance that it will be open and transparent, consultative, wide-ranging and comprehensive. We welcome in particular the fact that, consistent with these assurances, the review is commencing with consultation about the Terms of Reference.

The membership of ACE is drawn from both the public and private sectors of schooling and across all levels of education. We see this review as a unique opportunity in Australia's history to build a broad consensus around a new set of arrangements for the funding of Australian schooling, informed by a clear educational rationale, that provides a solid basis for setting funding goals, parameters and priorities now and into the future. We look forward to constructive engagement with all stages of this important funding review.

ACE supports, in general terms, the process and timeline for the review by end 2011 and provides the following specific comments on the draft Terms of Reference. These include proposals for strengthening the Terms of Reference with reference to both matters relating to schools funding, and to the review process itself. We have also pointed to areas where further clarification is needed prior to finalisation of the Terms of Reference.

### ACE Comments on the Discussion Paper and Draft Terms of Reference

#### 1. Terms of References that are supported

- a. The Government's reform priorities (as listed on p 5):
  - i. Quality of teaching
  - ii. Ensuring all students benefit from schools, especially those in disadvantaged communities

- iii. Improving transparency and accountability (for distribution and utilisation of public funding, in particular)
  - b. Inclusion of all sources of funding for schools in the review: Commonwealth; State and Territory; fees and income from private sources.
  - c. Recognition of the historical circumstances that have created current funding arrangements (page 21).
    - i. Recognition of the need for transitional arrangements prior to moving to a new system of funding.
- 2. Proposals for strengthening the Review Terms of Reference, in relation to content and substance
  - a. It is essential, from ACE's standpoint, that the Terms of Reference require the Panel to draw up their funding recommendations based on an explicit recognition of the purposes of schooling in Australia as set out in the Melbourne Declaration – to promote equity and excellence; and to enable all children and young people to engage successfully in learning, to become confident and creative learners and active and informed citizens<sup>1</sup>.
  - b. The Panel should be required, by the Terms of Reference, to recognise that schools funding is an important investment in the lives of children and young people and in their general as well as educational well-being; and the need to ensure that the experience of schooling is enjoyable, rewarding and valuable in itself, as well as laying the foundations for further education, training and work.
  - c. The Terms of Reference should set out the need to understand schools funding less in terms of the dollars provided and more in terms of the educational resources these dollars provide towards the achievement of these broad purposes, so that all children and young people – across the full range of school setting - are equally well supported to engage successfully in schooling and to achieve their personal best at school (i.e. there is a need to recognise the differing costs of delivering the same level of services in differing contexts).
  - d. ACE supports the statement in the Draft Terms of Reference regarding consideration of the best way to meet the costs of specific factors such as Indigeneity, location, disability and socio-economic disadvantage which can act as barriers to educational achievement, thus ensuring all students benefit from schools, especially those in disadvantaged communities. ACE argues, in addition, that the Terms of Reference should require that special account be taken of the needs of schools serving high need communities. Schools with concentrations of students who are disadvantaged invariably work with families

and communities that also have high, unmet needs that affect both the students and the priorities and resources of the school. The interaction among these factors compounds the individual's disadvantage and the school's challenge.

- e. In relation to inclusion of all sources of funding (see 1.b. above), ACE considers that the Terms of Reference should make clear that this includes all forms of funding from those sources. For example, the Terms of Reference should make explicit that the review should encompass all forms of public support for schools, both direct and indirect. That is, in addition to the sources listed in the current discussion paper, the review should encompass school and schooling-related resources provided through other portfolios, both directly (e.g. Commonwealth and State/Territory portfolios for health, community services, police, the arts, etc) and indirectly (e.g. through the tax system and through the various other forms of concession and assistance to schools or individuals in respect of school-related expenditure or contributions).
- f. There is a need for the review Panel to take account of differences in the legal obligations of schools and systems and this should be made explicit in the Terms of Reference.
  - i. ACE supports the development of a new funding system that distributes funding on need 'regardless of sector' (page 21), in the sense that students in similar circumstances should be treated similarly, including in relation to the total level of resources brought to bear on their schooling.
  - ii. The review will need, however, in the context of compulsory schooling and government policies regarding school retention, to take account of the current legal realities that underpin schooling in Australia. This requires recognition of the particular legal obligation of States and Territories to provide government school systems that give access to all students free from discrimination based on gender, language, sexual orientation, pregnancy, culture, ethnicity, religion, health or disability, socio-economic background or geographic location (as set out in the National Goals for Schooling) as well as being free from discrimination on the grounds of the capacity or willingness of parents or carers to make a private financial contribution towards the cost.
  - iii. The reason for requiring recognition of these legal differences in a funding review is that they entail real financial implications, which must be taken into account.
- g. ACE agrees with the statement that current funding arrangements have resulted in shared responsibilities by all governments (see page 21), but we argue that there is a need for the Review to recognise that these have largely developed

without formal or explicit principles or legally-binding agreements for the division those responsibilities.

- i. It is necessary to make an explicit reference to current legal realities in the Terms of Reference, because of public confusion caused by misleading claims made by past governments that the division of responsibilities for schools funding between the Commonwealth and State/Territory levels of government is the result of the provisions of the Constitution or of past formal (but unspecified) intergovernmental agreements.

### 3. Proposals for strengthening Terms of Reference in relation to the review process

- a. Consistent with the commitment to openness and transparency, ACE believes that the processes followed by the review should themselves be transparent.
  - i. The Terms of Reference should set out the formal consultation process that the Panel will undertake, including the opportunities for direct discussion with professional organisations
- b. The Terms of Reference should include the requirement for the Panel's recommendations to be tabled and made publicly available prior to policy decision, to allow for further advice from the profession and the community on those recommendations.
- c. All submissions (including those presented at this stage on the Terms of Reference) should be publicly available online from the date of their lodgement, in the interests of an open and informed process. The same provisions should apply as for the Bradley Review of Higher Education.

### 4. Matters requiring further clarification

- a. There is a number of matters which will need to be clarified in the course of finalising the Terms of Reference for the Review.
- b. Whether the review is to consider and provide government with a range of funding options (see pages 21 and 22); and, if this is the case, whether the Panel's report will be required to outline the implications for schools of each option; or
- c. Whether the Panel's report will itself recommend a preferred option (as implied by page 22)?

- i. ACE also recommends that, in any future explanatory material on the Funding Review, more detailed information is needed on the range of recurrent and targeted programs, including National Partnership programs, from the Australian Government and State and Territory governments, to extend the discussion (text and diagrams), e.g. pages 13 and 16.

## Conclusion

ACE is highly supportive of the manner in which this Review of Schools Funding has begun, with the opportunity for open consultation about the Terms of Reference. This augurs well for the open, transparent, consultative, wide-ranging and comprehensive review that is needed of schools funding in Australia.

We wish the Panel well and look forward to future opportunities for consultation as its work gathers momentum.

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<sup>i</sup> “Melbourne Declaration on Educational Goals for Young Australians”, Ministerial Council on Education, Training and Youth Affairs, December 2008 p.7