

Education Policy Brief

ACT Private Schools Have the Mother of All Special Deals

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Key Points

1. ACT Catholic and Independent schools are massively over-funded compared to their Schooling Resource Standard (SRS), a fact well acknowledged by the Commonwealth Minister of Education, Simon Birmingham. Catholic systemic schools and all Independent schools except three are currently funded at over 100% of their SRS by the Commonwealth and ACT governments. In 2018:
 - Catholic systemic schools are over-funded by \$38.6 million, including \$36.2 million by the Commonwealth;
 - Independent schools are over-funded by \$31.3 million, including \$20.5 million by the Commonwealth. Just 8 schools - Brindabella Christian, Burgmann, Canberra Girls' Grammar, Canberra Grammar, Daramalan, Marist, Orana and Radford - are over-funded by \$30.6 million, including \$20.8 million by the Commonwealth.
 - Total over-funding of all ACT private schools is \$69.9 million, including \$56.7 million by the Commonwealth.
2. This over-funding was to be reduced progressively to zero by 2027 under the Turnbull Government's commitment to end all special funding deals for private schools as part of its Gonski 2.0 funding plan. The Minister for Education said that the existing unique special deal for ACT private schools was unjustified and would be removed. However, the Government back-flipped on its commitment and introduced a new special deal worth \$58 million for ACT private schools, ostensibly to enable them to adjust to lower levels of funding over the next ten years. The special deal consists of \$36.1 million for Catholic schools to 2027 and \$21.7 million for Independent schools to 2021.
3. The new special deal will increase over-funding for schools in 2018 and the following years. Commonwealth over-funding of all ACT private schools will now amount to \$72.7 million in 2018.
4. Commonwealth over-funding of Catholic schools will now be \$44 million in 2018 and the reduction in over-funding to 2027 is a complete charade:
 - The new special deal extends their massive over-funding for the next ten years. Instead of their funding being reduced by an average of \$3.6 million a year it will be maintained by so-called adjustment assistance averaging \$3.6 million a year;
 - The cumulative Commonwealth over-funding for Catholic schools for the ten years to 2027 will amount to \$362 million.
5. The special deal for Independent schools applies for the next four years compared to ten for Catholic schools. Commonwealth over-funding of Independent schools will now be \$28.7 million in 2018 and will reduce to \$16.3 million in 2021.
 - Over-funding of several highly advantaged Independent schools will increase in 2018: by 29% for Burgmann, 124% for Canberra Grammar; 24% for Daramalan, 28% for Marist and 53% for Radford;
 - Funding for Brindabella Christian, Marist and Orana will increase to 2021;
 - Reductions in funding for Burgmann, Daramalan and Radford to 2021 will be smaller than planned;
 - Astonishingly, nine schools whose funding was projected to increase under the original plan will also receive adjustment assistance; that is, they will receive additional funding to adjust to higher levels of funding.

6. The Government says that the purpose of the adjustment assistance is to help “vulnerable” schools, such as those with a high proportion of students with disabilities or other disadvantaged students, that may find it unreasonably hard to adjust to reductions of funding. The vast majority of ACT private schools have very few disadvantaged students and high or very high proportions of students from the most advantaged families.
7. The new special deal for ACT private schools is a stunning reversal of the Minister for Education’s commitment to end all special deals for private schools and specifically for ACT private schools.
 - It is also in stark contrast to the Minister’s statement that adjustment assistance would only apply to a handful of schools. Instead, it applies to all Independent schools and the Catholic system, even those that were already due to receive funding increases in the future.
8. The special deal can only be seen as a political fix for the Turnbull Government in the face of a concerted campaign by private school organisations to retain their privileged over-funding, the threat of a Government backbench revolt and the political opportunism of the Labor Party in supporting the Catholic claims.
9. Labor cannot claim to support equity in schooling while simultaneously supporting over-funding of private schools that primarily serve the most advantaged families in the ACT. It should unconditionally support the principle of eliminating all over-funding of private schools.
10. While the Commonwealth Government is the major source of over-funding of ACT private schools, the ACT Government also provides significant over-funding to both Catholic and Independent schools. There is no case for this. The ACT Government should progressively reduce its over-funding of private schools over the next five years.

1. Introduction

The Commonwealth Minister for Education, Simon Birmingham, said that Gonski 2.0 would eliminate all special deals for private schools. But, as [ACT education union secretary Glenn Fowler says](#), a \$58 million special adjustment assistance funding for ACT private schools by the Turnbull Government is “the mother of all special deals”. It will increase the already massive overfunding of several of the most advantaged private schools in Canberra and delay, or postpone indefinitely, reductions in over-funding.

Birmingham repeatedly stated that there would be no special deals under Gonski 2.0. For example, [he told the ABC's Fran Kelly](#) last June that the “Turnbull government doesn't want there to any special deals that give certain sectors a financial advantage”. He said that the unique special deal for ACT private schools was unjustified and would be removed. Only last month, [he told radio 2GB](#) that the Government is “getting rid of special deals”.

However, ACT private schools got a new special deal. The following analysis drawing on new figures on the deal provided by the Commonwealth Department of Education to Senate Estimates on the deal shows that ACT private schools will continue to be massively over-funded.

Over-funding of private schools means that they are funded at over 100% of their Schooling Resource Standard (SRS). Their SRS is determined as the total of an amount calculated as a percentage of the base SRS which varies according to the assessed capacity to pay of their school community plus loadings for various categories of disadvantaged students. Under the conditions of Gonski 2.0, Commonwealth funding of ACT Independent and Catholic schools was due to be progressively increased or reduced to 80% of their SRS over ten years to 2027, with ACT Government funding to account for the remaining 20%. Over-funding by the Commonwealth Government means that they are funded at above 80% of their SRS and over-funding by the ACT Government means that they are funded at above 20% of their SRS.

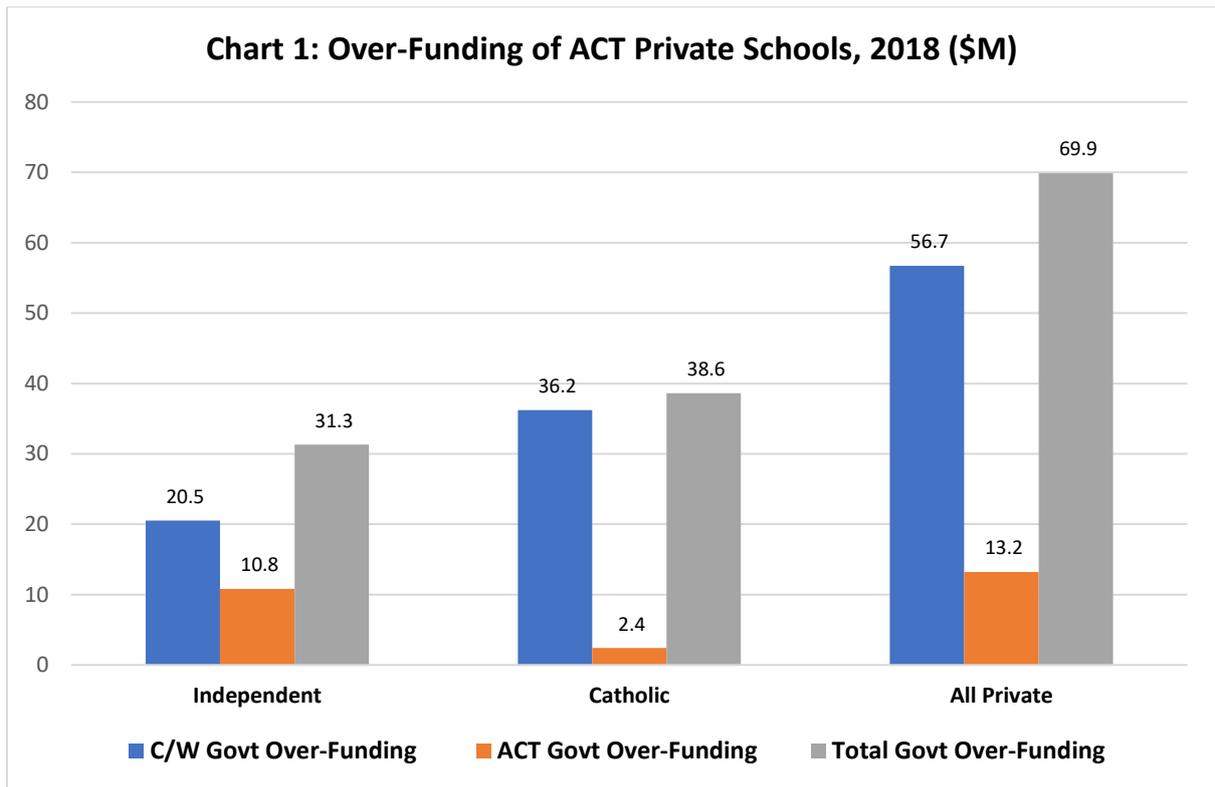
2. ACT private schools are massively over-funded

Canberra private schools are currently massively over-funded by the Commonwealth and ACT Governments. In 2018, Independent schools are funded at 137.8% of their SRS and Catholic systemic schools are funded at 138.7% of their SRS. The total over-funding of private schools is estimated at \$69.9 million. The total over-funding for Independent schools is estimated at \$31.3 million and \$38.6 million for Catholic systemic schools [Chart 1].

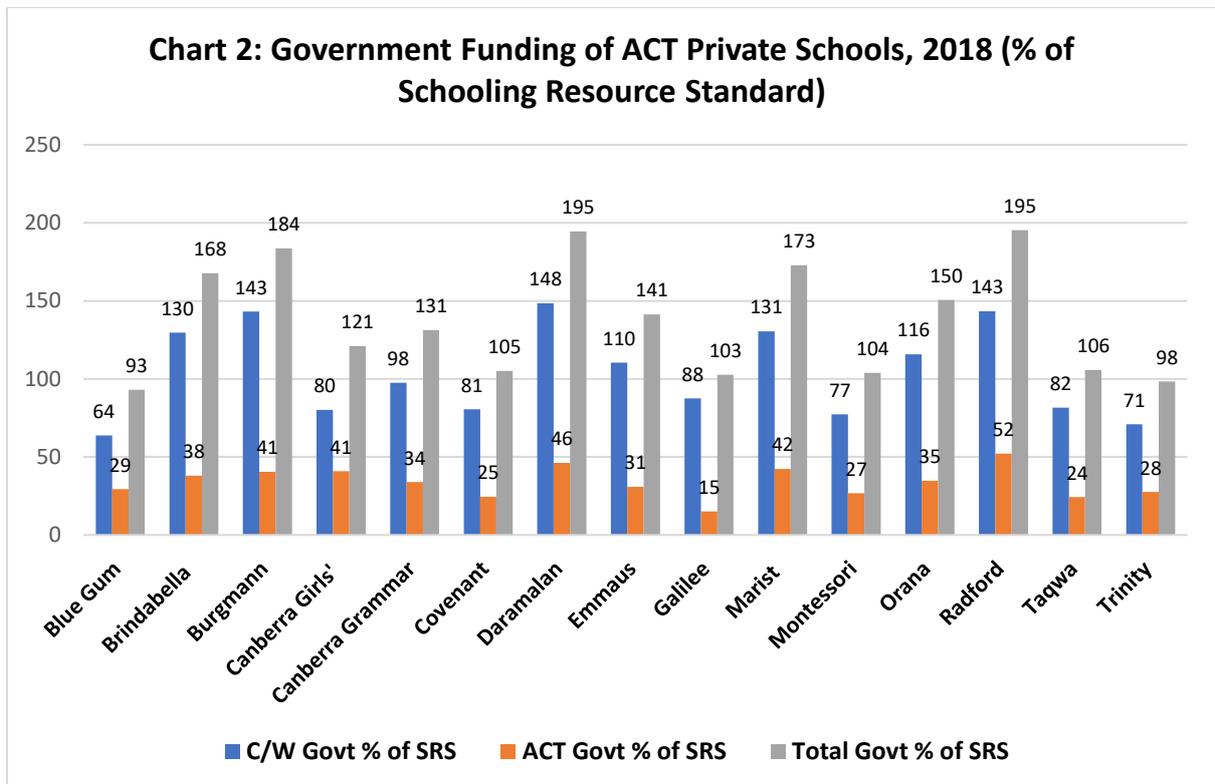
Under Gonski 2.0, Commonwealth Government funding of private schools is targeted at 80% of their SRS by 2027, leaving 20% of their SRS to be funded by state and territory governments. However, in 2018 Commonwealth funding of ACT Independent schools is at 104% of their SRS and ACT Government funding is at 33.7% of their SRS. Commonwealth over-funding is estimated at \$20.5 million and \$10.8 million by the ACT Government.

Catholic systemic schools are funded at 116.3% of their SRS by the Commonwealth and at 22.4% of their SRS by the ACT Government and, overall, are funded at 138.7% of their SRS. Commonwealth over-funding is estimated at \$36.2 million and \$2.4 million by the ACT Government.

The Commonwealth Government is the major source of over-funding for ACT private schools, accounting for 81% of their over-funding. Commonwealth over-funding is estimated at \$56.7 million while ACT Government over-funding is estimated at \$13.2 million.



Source: See Attachment.

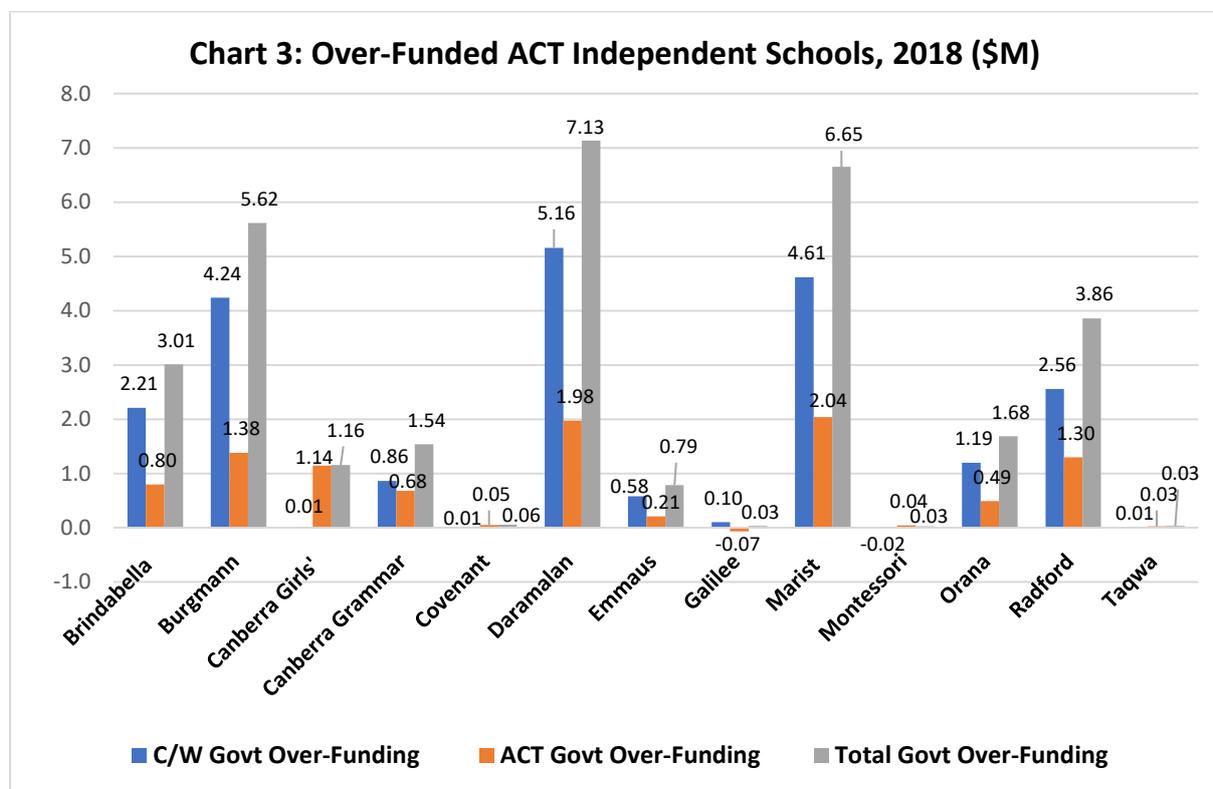


Source: See Attachment

Thirteen out of 15 Independent schools for which figures are available are funded by the Commonwealth and ACT Governments at over 100% of their SRS, and some are massively over-funded [Chart 2, Canberra Christian School, the Islamic School and St. Edmund's are excluded – see

Attachment]. Average total government funding (Commonwealth and ACT) of these schools is 144.3% of their SRS. The total over-funding of the 13 schools amounts to \$31.6 million. Commonwealth Government over-funding is \$21.5 and ACT Government over-funding is \$10.9 million. The disparity between the latter amounts and the total is due to under-funding of three schools by the Commonwealth and a fourth by the ACT Government. Just 8 schools are over-funded by \$30.6 million, including \$20.8 million from the Commonwealth. They are Brindabella Christian, Burgmann, Canberra Girls' Grammar, Canberra Grammar, Daramalan, Marist, Orana and Radford.

Many highly advantaged schools are massively over-funded. For example, Commonwealth and ACT Government funding of Radford College, with 83% of its students in the top socio-educationally advantaged (SEA) quartile and none in the bottom quartile, is at an incredible 195% of its SRS. Its Commonwealth funding alone is at 143% of its SRS, nearly double the target rate of 80% under Gonski 2.0. Radford is over-funded by a total of \$3.86 million in 2018, with \$2.56 million in Commonwealth over-funding and \$1.3 million in ACT Government over-funding [Chart 3].



Source: See Attachment.

Burgmann College with 69% of its students in the top SEA quartile and 1% in the bottom quartile is funded at 184% of its SRS, including Commonwealth funding at 143% of its SRS. It is over-funded by \$5.62 million, including \$4.24 million in Commonwealth over-funding and \$1.38 in ACT Government over-funding.

Daramalan College with 50% of its students in the top SEA quartile and 3% in the bottom quartile is funded at 195% of its SRS. Its Commonwealth funding is at 148% of its SRS. Its total over-funding in 2018 is a massive \$7.13 million, including \$5.16 million in Commonwealth over-funding and \$1.98 million from the ACT Government.

Marist College with 53% of its students in the top SEA quartile and 3% in the bottom quartile is funded at 173% of its SRS, including Commonwealth funding at 131% of its SRS. It is over-funded by

\$6.65 million, including \$4.61 million by the Commonwealth and \$2.04 million by the ACT Government.

Brindabella Christian School with 65% of its students in the top SEA quartile and 2% in the bottom quartile is funded at 168% of its SRS, including Commonwealth funding at 130% of its SRS. It is over-funded by \$3.01 million with \$2.21 million in Commonwealth over-funding and \$0.80 million by the ACT Government.

Canberra Grammar with 85% of its students in the top SEA quartile and none in the bottom quartile is funded at 131% of its SRS. It is over-funded by \$1.54 million, with \$0.86 million provided by the Commonwealth and \$0.68 million by the ACT Government.

Orana Steiner Schools with 57% of its students in the top SEA quartile and only 3% in the bottom quartile is funded at 150% of its SRS, including Commonwealth funding at 116% of its SRS. It is over-funded by \$1.68 million, with \$1.19 million from the Commonwealth and \$0.49 million from the ACT Government.

A detailed breakdown for individual Catholic systemic schools is not available as the Catholic Education Commission is block funded and is free to decide how that funding is distributed. It refuses to divulge how it distributes its taxpayer funding.

Commonwealth over-funding of Independent schools stems from their protected status under the Howard Government's SES funding model, whereby schools that would otherwise have received lower levels of funding were guaranteed their existing level of funding into the future. This special deal was incorporated into the Labor Government's Gonski 1.0 funding model following the edict of Julia Gillard that "no school will lose a dollar".

Commonwealth over-funding of Catholic schools stems from the introduction of the highly generous system-weighted average funding arrangement for the ACT whereby their system socio-economic status (SES) score for funding purposes was negotiated at 101 even though every Catholic systemic school has an individual SES score that is much higher, ranging from 111 to 128, the latter score being at the upper end of school SES scores. Their average system score is 118. Because their negotiated system score is much lower than their actual system average, they are funded at a much higher rate than if their funding was determined by their actual individual school SES scores.

In addition, many private schools are over-funded because an area-based measure of SES is used to determine their level of government funding. It systematically over-estimates disadvantage in private schools because, on average, it is the more advantaged families in any area that send their children to private schools. As a result, private schools are attributed a higher level of disadvantage and receive more government funding than if the SES of the school community was measured directly using a family-based measure. This over-funding is not included in the above estimates.

3. Government said that it would eliminate all special deals

A feature of the new Gonski 2.0 funding arrangements announced by the Turnbull Government in May last year was that it would remove special deals that advantage some schools or sectors and eliminate their over-funding. [The Minister for Education told the National Press Club](#) that:

The whole point of the reforms we've announced to school funding is to get away from special deals, to get away from ancient sweetheart arrangements...

In particular, he ruled out a special deal with the Catholic sector in response to a question from a journalist.

A fact sheet on the new funding model stated:

The Australian Government will remove the special deals that currently mean students with the same needs within the same sector receive different levels of Commonwealth funding, simply because of the state where they live. [[New fairer school funding from 2018](#), p. 2]

Another fact sheet highlighted that several private schools in Australia were over-funded and that it would be eliminated over a 10-year transition period to 2021 [[A fairer transition to the new model](#)].

The Government initially identified 353 private schools as being over their entitlement of 80% of the SRS in 2017 and that would receive less funding, have their funding frozen or be increased at a slower rate [Second Reading Speech, 11 May 2017]. The Minister for Education said:

...some schools in the non-government sector are receiving more than the share of that schooling resource standard that we're proposing to fund. They will transition down to it over the period of 10 years. [[ABC Lateline](#), 2 May 2017]

The funding estimator published at the time on the Department of Education website identified eight Independent schools – Brindabella Christian, Burgmann, Daramalan, Emmaus, Marist, Orana, Radford, St. Edmunds. Catholic systemic schools would also face funding cuts with the elimination of their special deal.

The Minister for Education said that the unique special deal for ACT Catholic schools should be ended:

...the ACT is a unique case because there was a uniquely special deal done for the ACT where the socioeconomic status of ACT households was determined not on the basis of ACT data, but Australia-wide data that included remote Indigenous schools in the Northern Territory or Catholic parish schools in regional Tasmania, which of course is hardly reflective of the reality that Canberra has the highest household income in Australia. So as part of our process of taking away special deals and differential treatment, yes, we've taken that differential treatment for the ACT system that assessed that socioeconomic capacity to contribute to school fees based on something that bore no relevance or resemblance to the ACT and instead, are now going to apply the same measure as it is across every other non-government school around Australia. Which I think most Australians think is fair that Canberra schools should be assessed just the same as schools anywhere else around the country. [[Interview on ABC Radio National Breakfast with Fran Kelly](#), 30 May 2017]

.... we think that that type of special deal just for schools in the ACT, for the Catholic education system in the ACT, was of course unjustified. And that's why we're transitioning that sector to the same type of treatment as for every other non-government school around Australia. [[Doorstop Interview](#), 30 May 2017]

A revised funding estimator published by the [Department of Education](#) in November shows that six Independent schools - Brindabella Christian, Burgmann, Daramalan, Marist, Orana and Radford – and the Catholic system will have their Commonwealth funding gradually reduced over the period to 2027. Funding for the other seven over-funded Independent schools shown in Chart 3 above will increase, but at a slower rate than indexation of the base SRS to ensure their transition to 80% of

their SRS by 2027. Funding for three other Independent schools – Blue Gum, Canberra Montessori and Trinity - will also increase because their Commonwealth funding is less than 80% of their SRS. As a result, Blue Gum and Trinity will become over-funded by 2023 because their funding from the ACT Government exceeds 20%, assuming this does not change.

The transition to the new funding arrangements was to be facilitated by a \$39.8 million national adjustment assistance package to help schools that may find it unreasonably hard to adjust to lower levels of funding over ten years. This assistance was to be available to “disadvantaged or vulnerable” schools such as those with a high proportion of students with a disability or serving a disadvantaged community [[A fairer transition to the new model](#), p. 2].

Labor’s response to the elimination of the special deal for ACT Catholic and Independent schools was unprincipled political opportunism and undermines its claim to support equity in education. It was quick to criticise ending their lavish special deal and completely ignored their massive over-funding. [Bill Shorten sided with the Catholic Church](#) and criticised the cuts to ACT Catholic schools because parents would have to pay more fees and [ACT Labor MP, Gai Brodtmann](#), said that the cuts were “outrageous”. In an uncanny echo of Julia Gillard’s edict that “no school will lose a dollar”, [Shadow Education Minister, Tanya Plibersek](#), said that Labor would restore any funding cut from the Catholic and other private systems.

4. Adjustment assistance is a new special deal for ACT private schools

The proposed reductions in over-funding were strongly opposed by ACT private school organisations and [Liberal Senator Zed Seselja](#) who broke ranks with his government even though he is an Assistant Minister in the Government. The Government was also faced with a revolt within its own ranks as some Senators threatened to cross the floor in a vote on the amendments to the Education Act. Within weeks, [the Government backed down](#) on its promise to eliminate special deals for private schools. In June, a new special deal comprising a \$57.9 million adjustment assistance package was announced for Independent and Catholic schools in the ACT alone. The announcement was made by [Senator Seselja](#) who took credit for negotiating the new special deal.

The availability of special transition adjustment assistance was included in amendments to the Australian Education Act passed by the Parliament in June and the Regulations of the Act promulgated on 1 January 2018. Under Section 69B(1), the Minister may provide financial assistance for a school transitioning to the new arrangements during 2018 to 2027. The Regulations to the Act specify that the National Adjustment Assistance Fund is accessible by private schools only. Special adjustment assistance for ACT private schools is provided for in Part 3 of the Regulations and is set at \$46.07 million for 2018 to 2027. The funding must be spent or committed to be spent before 2028.

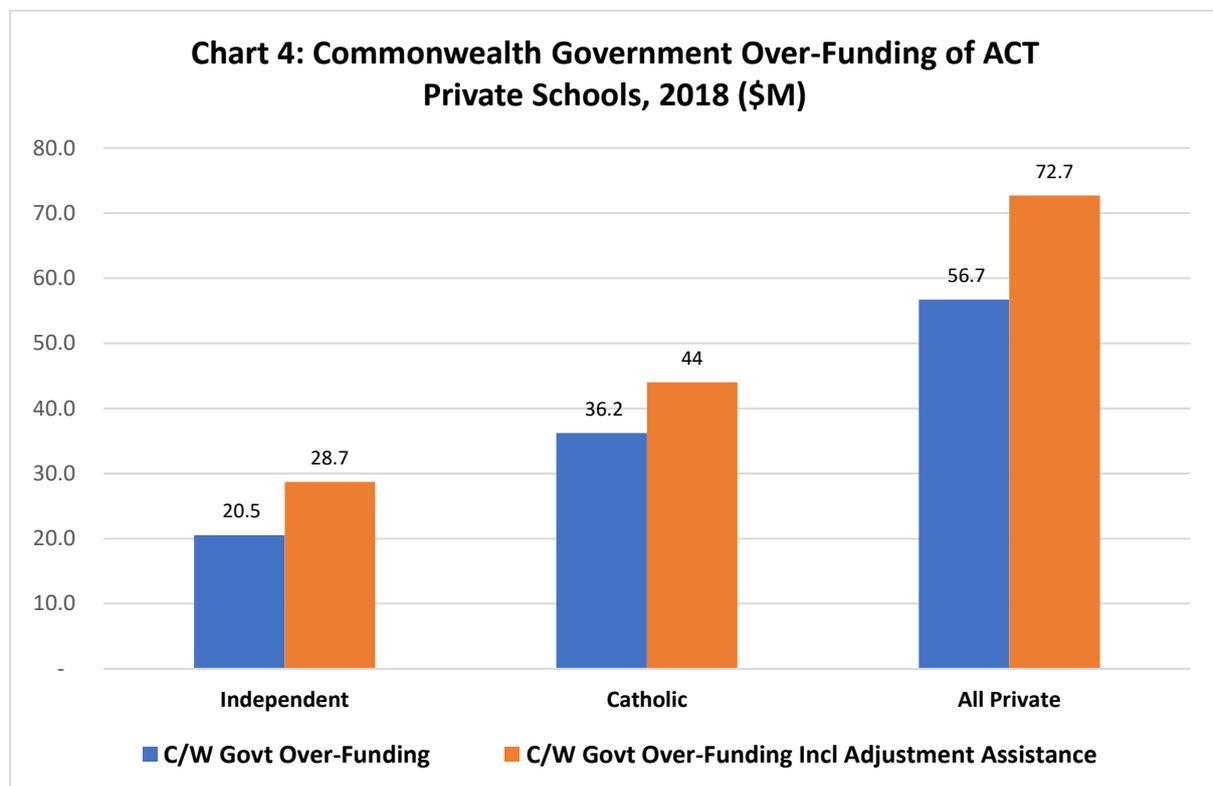
The full details of the new special deal were not released until early January through Senate Estimates. According to information provided to Senate Estimates by the Department of Education, Catholic schools will receive a total of \$36.08 million in additional funding, including \$31.12 million in adjustment assistance to the lower level of funding over 2018 to 2027 and \$4.95 million in 2018 to extend the national average SES score of 101 [[Senate Education and Employment Committee](#), Answer to Question on Notice No. SQ17-001183, Supplementary Budget Estimates 2017-2018]. Independent schools will receive additional funding of \$21.68 million, including \$14.95 million over 2018 to 2021 in adjustment assistance to the lower level of funding and \$6.73 million available through the National Adjustment Assistance Fund over 2019 to 2027.

The Associate Secretary of the Commonwealth Department of Education told Senate Estimates last October that the adjustment assistance for Independent schools also includes \$2.95 million in 2018

for the sector to continue funding at its national system weighted average which is similar to that of the Catholic sector [[Senate Education and Employment Committee, Supplementary Budget Estimates 2016–2017](#), Hansard, 26 October 2017, p. 170]. Interestingly, this arrangement is not listed in the latest compilation of the [SES Scores Determination](#) which sets the SES scores for schools of approved systems under the Australian Education Act. The small Canberra Christian school is the only Independent school listed as being part of an approved system for funding purposes. It is also the only school listed as being a systemic school and having a system SES score in the most recent version of the [SES scores for schools and systems](#) published by the Department of Education.

The adjustment funding is much more extensive than initially envisaged by the Minister. [He said](#) that transition assistance would be provided to only “a handful” of schools in the ACT Catholic system. Instead, all Independent schools and the Catholic system will get extra funding.

The additional funding will increase the existing massive over-funding of ACT private schools. In 2018, Commonwealth over-funding of all private schools included in this analysis will be increased by \$16 million from \$56.7 million to \$72.7 million [Chart 4]. Over-funding of Catholic schools will increase from \$36.2 million to \$44 million and for Independent schools from \$20.5 million to \$28.7 million.



Source: See Attachment.

4.1 Catholic schools

Under Gonksi 2.0, Commonwealth over-funding of Catholic schools was intended to be progressively reduced from \$36.2 million to zero in 2027. However, the new special deal of \$36.08 million ensures this massive over-funding will continue for another ten years. Instead of funding being reduced by an average of \$3.6 million a year their funding will be maintained by the so-called adjustment assistance averaging \$3.6 million a year. The special deal of determining their funding on the basis of the national system average SES score of 101 will be replaced by a new special deal providing the same level of over-funding. The cumulative over-funding for the ten years to 2027 will amount to \$362 million.

The distribution of the additional funding for Catholic systemic schools is not available. The Department of Education told Senate Estimates that it is a matter for the Catholic Education Commission to determine.

It should also be noted that Catholic systemic schools will continue to be over-funded by the ACT Government. ACT Government over-funding will increase from \$2.4 million in 2018 to an estimated \$3.1 million if the ACT Government maintains its current funding share of the SRS of Catholic schools as it increases with indexation.

4.2 Independent schools

Under Gonksi 2.0, it was intended that Commonwealth over-funding of Independent schools be progressively reduced from \$20.5 million to zero in 2027. However, the new special deal for ACT Independent schools increases over-funding in 2018 to \$28.7 million and reduces the extent of the planned reductions in over-funding to 2021. The funding of \$6.73 million available through the National Adjustment Assistance Fund will further reduce the size of the reductions in over-funding from 2019 to 2027.

The additional funding will increase the existing over-funding of several highly advantaged Independent schools in 2018. Over-funding of Burgmann will increase by \$1.24 to \$2.48 million (29% increase) in 2018; by \$1.07 million to \$1.93 million (124%) for Canberra Grammar; by \$1.25 million to \$6.41 million (24%) for Daramalan; by \$1.29 million to \$5.9 million (28%) for Marist and by \$1.36 million to \$3.92 million (53%) for Radford [Chart 5].

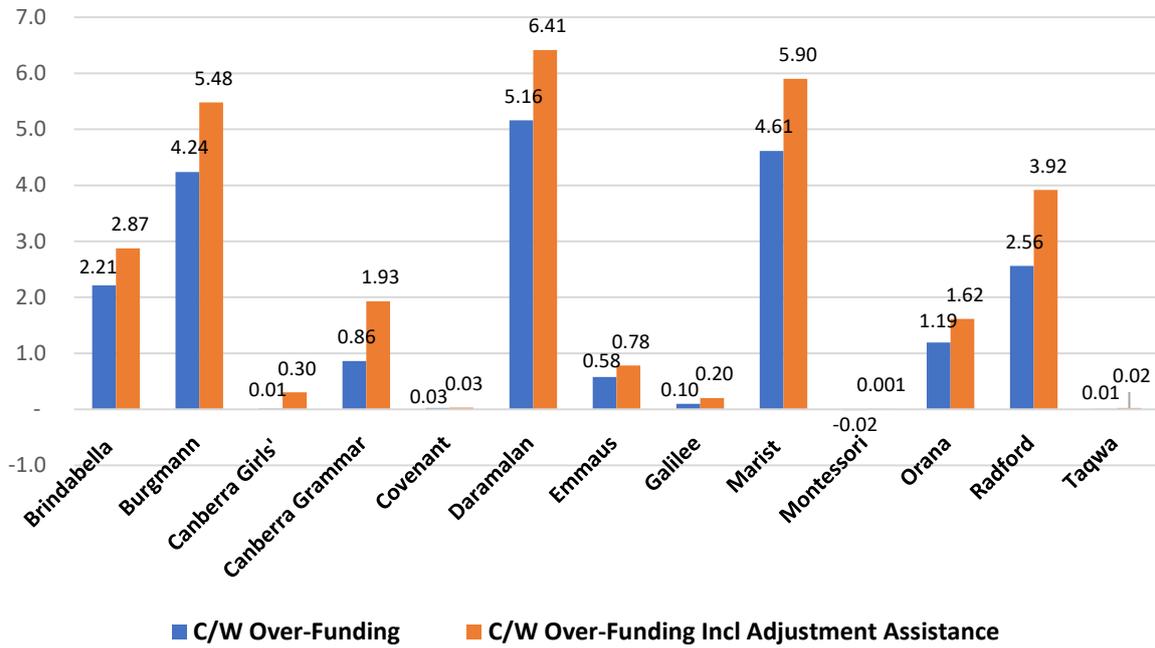
Some over-funded schools will have their funding increased to 2021 instead of reduced. According to the information provided to Senate Estimates, the new deal will result in small funding increases for Brindabella Christian, Marist and Orana to 2021 instead of progressive reductions as originally planned [Chart 6]. Brindabella Christian will have its funding increased by \$46,000 even though it is over-funded by \$2.2 million in 2018 by the Commonwealth. Marist will have its funding increased by \$35,000 even though it is over-funded by \$4.6 million by the Commonwealth and Orana will have its funding increased by \$25,000 despite its Commonwealth over-funding of \$1.2 million.

The deal will also ensure that reductions in funding originally proposed for Burgmann, Daramalan and Radford will be smaller than planned to 2021. Burgmann will lose only \$0.38 million over the next four years even though it is over-funded by \$4.2 million by the Commonwealth in 2018. Daramalan will lose only \$0.31 million even though it is over-funded by \$5.16 million and Radford will lose only \$0.14 million even though it is over-funded by \$2.56 million.

Remarkably, nine Independent schools whose funding was projected to increase under the original plan will also receive adjustment assistance; that is, they will receive additional funding to adjust to higher levels of funding. It is an extraordinary feature of the new special deal.

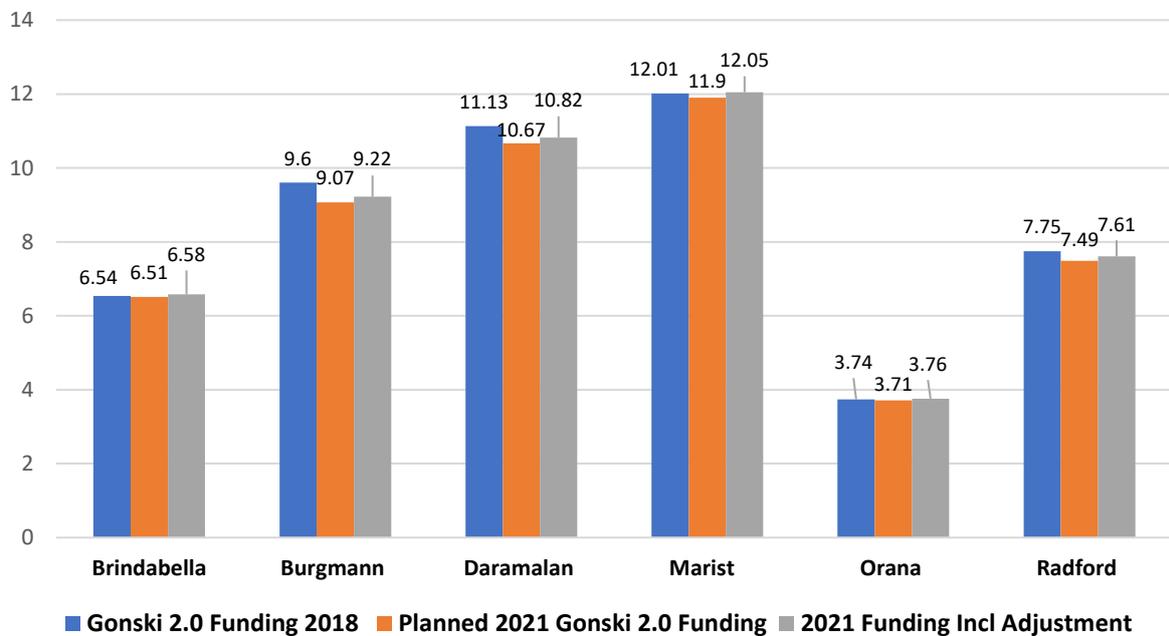
Six of these schools are already over-funded by the Commonwealth, but their funding was projected to increase at less than SRS indexation until they reach the target 80% of SRS. They are Canberra Girls' Grammar, Canberra Grammar, Covenant College, Emmaus Christian School, Galilee and Taqwa. Commonwealth funding for Canberra Grammar was projected to increase by \$0.43 million to 2021 under Gonski 2.0, but it will now receive an additional \$1.78 million to adjust to its higher level of funding and its total increase to 2021 will be \$2.21 million [Chart 7]. Funding for Canberra Girls' Grammar was projected to increase by \$0.38 million but with adjustment assistance of \$0.29 million its total funding increase to 2027 will be \$0.67 million.

Chart 5: Commonwealth Government Over-Funding of ACT Independent Schools, 2018 (\$M)



Source: See Attachment.

Chart 6: Total Commonwealth Funding for Over-Funded ACT Independent Schools Due for Funding Cuts (\$M)

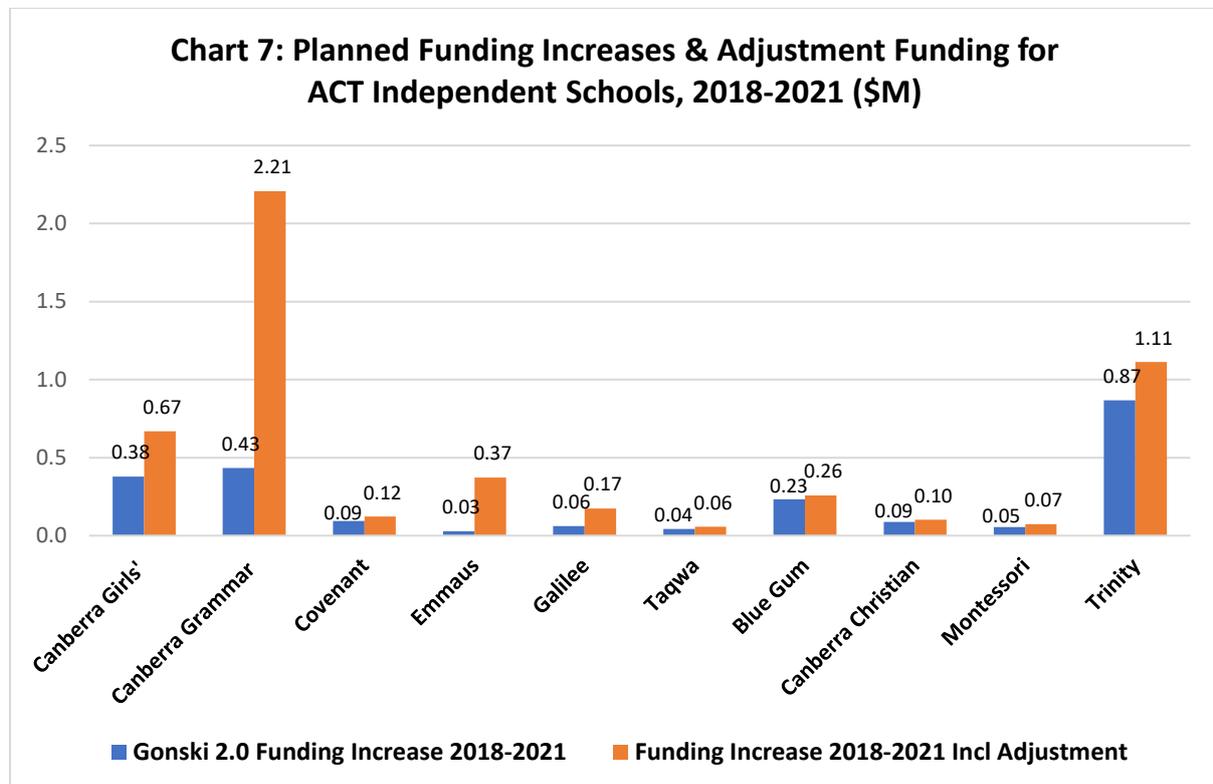


Source: See Attachment.

The other three schools are currently funded at less than 80% of their SRS but will also receive adjustment assistance to adjust to their projected funding increase to 80% of their SRS by 2023. These are Blue Gum, Canberra Montessori and Trinity. Funding for Trinity was projected to increase

by \$0.87 million to 2021 but with adjustment assistance of \$0.24 million it will now increase by \$1.11 million.

It should also be noted that Independent schools will continue to be over-funded by the ACT Government. ACT Government over-funding will increase from \$10.8 million in 2018 to an estimated \$15.5 million if the ACT Government maintains its current funding share of the SRS of Independent as it increases with indexation.



Source: See Attachment.

4.3 ACT private schools are not vulnerable or disadvantaged

The Government stated that the purpose of adjustment assistance is to help “vulnerable” schools that may find it unreasonably hard to adjust to reductions of funding. In letters to private schools on the new funding arrangements, the Minister for Education explained that vulnerable schools might include, for example, schools with high numbers of students with disability or small regional schools. A fact sheet published by the Department of Education said this could be schools with a high proportion of students with disability or serving a disadvantaged community [[A fairer transition to the new model](#), p. 2].

It is beyond comprehension how the over-funded Catholic sector in Canberra or any of the 13 over-funded Independent schools could be considered as “vulnerable” on the grounds set out by the Minister. It appears that the Minister’s criteria were totally ignored in the decision to grant adjustment funding to ACT private schools.

All ACT private schools are highly advantaged by national standards as indicated by their [socio-economic status \(SES\) scores](#) used to determine their Commonwealth funding. In 2018, the average SES score of ACT Catholic systemic and Independent schools is 118. By comparison, the national average is 100. The range of scores for Catholic schools is 111 to 128 and that for Independent schools is 114 to 125.

Data from the My School website shows that the average Index of Community Socio-Educational Advantage (ICSEA) for ACT private schools is well above the national average of 1000. The average ICSEA score for Catholic schools is 1087 while the average for Independent schools is 1130. Some 41% of Catholic students are from the highest SEA quartile and 78% are from the top two quartiles while only 5% are from the bottom SEA quartile. In the case of Independent schools, 61% of students are from the top SEA quartile and 86% are from the top two quartiles and only 3% are from the bottom quartile. Why schools such as Canberra Grammar and Radford should be considered as vulnerable with 85 and 83% of their students in the top socio-educational advantage quartile and none in the bottom quartile is mystifying.

[Disadvantaged students comprise only a very small proportion](#) of total enrolments in Catholic and Independent schools. Together, students from low SES families, Indigenous students and students with disabilities comprise only 8% of Catholic school enrolments and 7% of Independent school enrolments compared to 19% in public schools.

The reasons for ignoring the Minister's criteria for adjustment funding, providing more funding for already over-funded schools and granting adjustment funding to schools whose funding was projected to increase up to 2027 have not been adequately explained. The Minister for Education has been conspicuously silent on the issue.

Conclusion

The new special deal for ACT private schools is a stunning reversal of the Minister for Education's commitment to end all special deals for private schools. It is also in stark contrast to the Minister's statement that adjustment assistance would only apply to a handful of schools. Instead, it applies to all Independent schools and the Catholic system, even to schools that were already due to receive funding increases to 2021. It can only be seen as a political fix for the Turnbull Government in the face of a concerted campaign by private school organisations to retain their privileged over-funding, the threat of a Government backbench revolt and the political opportunism of the Labor Party in supporting the Catholic claims.

The new special deal extends the massive over-funding of Catholic schools for another decade. The adjustment assistance to be provided to 2027 completely offsets the planned reduction in funding to then.

The deal also increases funding for some highly advantaged Independent schools that are already over-funded and reduces the extent of planned funding cuts to 2021 for some other schools. Perhaps the most extraordinary feature of the new deal is that nine Independent schools whose funding was projected to increase under the original plan will also receive adjustment assistance. They will receive additional funding to adjust to higher levels of funding. It is an astonishing waste of taxpayer funds. It highlights the new special deal as a political fix without any logical rationale.

There is no case for adjustment funding to assist ACT private schools transition to the target rate of 80% of their SRS. They have 10 years to adjust to the progressive reduction of their over-funding. They are all highly advantaged schools serving well-off families and have very few low income, Indigenous or disability students.

Labor's position is unconscionable. It cannot claim to support equity in schooling while simultaneously supporting over-funding of private schools that primarily serve the most advantaged families in the ACT. It should unconditionally support the principle of eliminating over-funding of private schools.

The new special deal will invite more opposition from Independent schools to reductions in their over-funding. Their special deal is only for four years (apart from access to the national assistance fund) compared to the 10-year deal for Catholic schools. We can expect to see them campaigning hard for another special deal in the next election cycle.

While the Commonwealth Government is the major source of over-funding of ACT private schools, the ACT Government also provides significant over-funding to both Catholic and Independent schools. There is no case for this. The ACT Government should progressively reduce its over-funding of private schools to 20% of their SRS over the next five years.

Attachment: Methodology and Sources

Over-funding is defined as government funding from the Commonwealth and ACT Governments that is more than 100% of the national Schooling Resource Standard (SRS) for each Independent school and the Catholic system. The SRS of each school and system is estimated as the total of a percentage of the base SRS and loadings for various categories of disadvantaged students. Over-funding by the Commonwealth Government is defined as funding more than 80% of the SRS of each school and system. Over-funding by the ACT Government is defined as funding more than 20% of their SRS.

The figures for the Commonwealth share of the SRS of each school and system are from [Senate Education and Employment Committee, Budget Estimates 2017-2018](#), Answer to Question on Notice No. SQ17-000761. The figures for the ACT Government share of the SRS for each school and system are for 2017 and are derived from [Senate Education and Employment Committee, Supplementary Budget Estimates 2016–2017](#), Answer to Question on Notice SQ16-000852 by subtracting the Commonwealth percentage share from the total government funding percentage. The ACT Government shares are assumed to remain the same over the transition period.

The figures for Commonwealth funding per student are from the funding estimator published on the [Department of Education website](#). The SRS amount per student for each school and system is calculated by dividing Commonwealth funding per student by the Commonwealth share of the SRS and multiplying by 100. ACT Government funding per student is calculated by multiplying the SRS amount by the ACT Government share of the SRS divided by 100.

Total government funding per student is calculated by adding the Commonwealth and ACT amounts. Total government over-funding per student is calculated by subtracting the SRS amount per student from total government funding per student. Commonwealth over-funding per student is calculated by subtracting 0.8 of the SRS amount from Commonwealth funding per student. ACT over-funding per student is calculated by subtracting 0.2 of the SRS amount from ACT funding per student.

Total over-funding per school and system is calculated by multiplying over-funding per student by the number of students. Student numbers for each Independent school are for 2016 and taken from [My School](#). The number of students for the Catholic system is taken from the ACT School Census 2017. It is assumed that student enrolments are unchanged over the transition period.

The figures on the additional funding for ACT private schools are from [Senate Education and Employment Committee, Supplementary Budget Estimates 2017-2018](#), Answer to Question on Notice SQ17-001183. The figure for additional funding for the ACT Catholic system in 2018 is from Commonwealth Department of Education [Freedom of Information Disclosure Log](#), 4 January 2018.

St. Edmund's College is excluded from the analysis because the Commonwealth and ACT Government shares of its SRS are not published. The Islamic School is excluded because its Commonwealth funding is not included in the funding estimator. Canberra Christian School is excluded from the over-funding estimates because the government shares of its SRS are not available for 2018.