



**An alliance of Victorian
Public Education community campaigns**

**'Every child in Victoria should have access to high quality
state primary and secondary education in their local community'**

25 November 2016

Tim Pallas MP
Victorian Treasurer
Level 4
1 Treasury Place
East Melbourne 3002

Dear Minister Pallas

Funding the required school builds as the Education State's priority infrastructure project.

Our Children Our Schools (OCOS) is an alliance of 28 Victorian, parent led, Public Education community campaign groups which advocates for the establishment of a properly government funded essential infrastructure for government school provision. Such funding must ensure social cohesion, provide well regarded facilities for learning and be accessible and affordable to all. In summary we believe that every child in Victoria should have access to high quality public primary and secondary schools in their local community. OCOS formed because we want to see a transparent equitable process for school provision free of political and other agenda considerations.

We attach our budget submission for consideration as part of funding for the Education State. We trust you will view this submission positively and see how an equitably funded and well-resourced public education system can drive job growth and stimulate the economy. This document is supported by our recent submission to Infrastructure Victoria. A hyperlink to that document is included in the body of our submission for your information.

Should you wish to discuss this submission, representatives of our organisation are available to meet with you. Thank you for your time in advance and we look forward to an opportunity to discuss our budget submission with you.

Yours sincerely,

Catherine Hall
President
Our Children Our Schools

cc: The Hon James Merlino MP



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OUR CHILDREN OUR SCHOOLS

BUDGET SUBMISSION

President: Cate Hall
Our Children Our Schools
E: ocosvic@yahoo.com
Date: 24 November 2016

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BUDGET SUBMISSION

Introduction

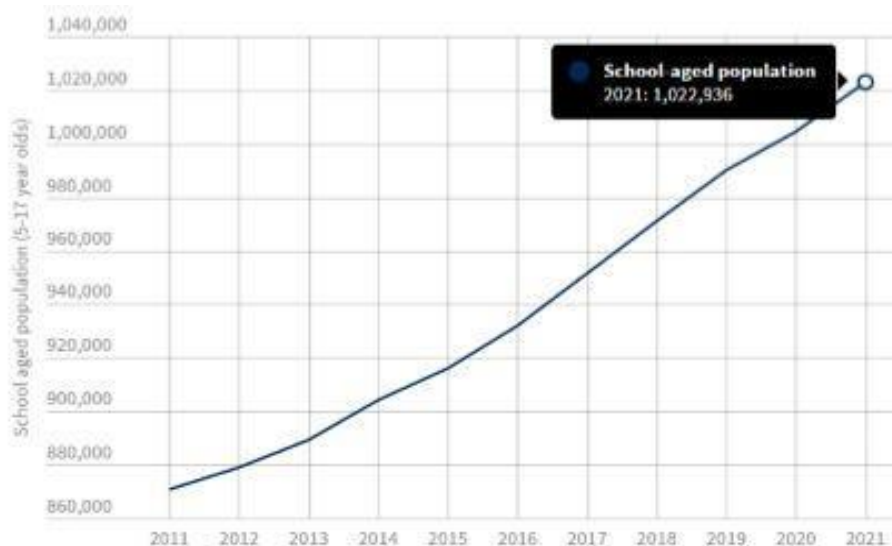
Our Children Our Schools (OCOS) applauds the great work done by the Andrew's labor government on planning and funding new and upgraded school infrastructure and on the increased overall expenditure in the education portfolio. We are writing to ask that an even bigger 'slice of the pie' be allocated in the 2017/2018 Education State budget for a comprehensive school building program to meet our State's fast-growing need and to enable healthy, connected communities with access to life-long education and create long term jobs.

Demographic projections - the evidence

OCOS has no doubt the Victorian labor government, and in particular Treasury, is painfully aware that the numbers of Victorian school age children are rising rapidly and that this is a trend that has no signs of abating anytime soon.

The latest demographic projections show that Victorian public schools will have to accommodate 1 million students by 2020 which is 72,599 more than are currently enrolled. Earlier this year the State government did not expect to reach this turning point until 2021.

Data from the recent [Victoria in Future 2016 report](#) shows that in 2021 there will be a total school-aged population of 1,022,936. This number is not an assumption. These children are already born. Using the enrolment cut off date of 30th April of each year the youngest child represented in this statistic is already 18-months' old and due to start Prep in 2021.



Source: Victoria in Future 2016 data

According to a Grattan Institute report by Dr. Peter Goss, titled "[School Crisis Comes with Massive Waste of Tax Dollars](#)" published in January 2016, demand projections indicated 220 new schools, or 7200 new classrooms, are required over the next ten years. (Note this report preceded the latest *Victoria in Future* report). But yet, not one new public school opened in 2016. The fifteen new public schools expected to open in 2017 and 2018, are a welcome addition, but are just the beginning of what's required to meet enrolment demand.

Local economy stimulating, job creation projects

The Federal BER program showed that major school infrastructure projects stimulate the economy but they also lead to the creation of many more long term jobs than for example road building type projects.

Building schools will generate more than just construction jobs for Victoria. To calculate the ongoing jobs created we used the All Schools, Student-to-staff ratio data table from [The Australian Government Productivity Commission Report on Government Services](#)¹ and the Grattan Institute & [ACER student population growth](#) reports. As a rough estimate, populations that include student growth of between 107,520 to 180,000 over a 10 year period in Victoria will boost long term employment opportunities to Victorians by over 22,130 to 37,048 jobs. This long term employment number excludes cleaners, maintenance, emergency and casual relief teaching staff. (Please see our OCOS [submission to Victoria's Draft 30-Year Infrastructure Strategy](#) for more detail.)

Essential community infrastructure - building cohesive communities

OCOS writes to recommend that the required school builds, in their totality, be viewed and funded as a priority, major infrastructure project for the Education State. This is a project that would garner broad community support and which would have benefits equally as broad. Infrastructure Victoria (IV)'s [citizen jury](#) gave options relating to access to education and addressing school shortages strong endorsement and rated them as high priority. The need for new schools was placed in their top ten issues.

IV's draft 30 year strategy also has 'access to education' in the top ten in terms of how many objectives are met. In fact if the 'fostering inclusive communities' objective is included as being met, as recommended by both OCOS in our submission and the citizens jury, education infrastructure becomes one of the most broadly beneficial infrastructure projects for Victoria.

¹ Productivity Commission Report on Government Services 2016, Childcare, Education and Training, School Education ROGS 2016, Volume B, Chapter 4 pg166

A quality, local public education - economic and social benefits

A local education is one of the basic building blocks of a healthy, connected community. OCOS is of the strong view that public school provision needs to be LOCAL to fully enable many of the positive benefits to community and savings to government. These benefits are spread across many important areas of government concern, including access to education and life-long learning, the family-school-community partnership, planning, local economy stimulation, access to local jobs, health, obesity, inclusion, community connectivity, congestion and air pollution.

Adequate provision of public schools, local to need, enables active transport which apart from being directly beneficial to students and families, generates long term savings for the government due to decreased congestion and increased health. Benefits of active travel to school include:

- Reduced road congestion (headline IV issue) due to decreased car trips. A large proportion of morning car trips are children being driven to school;
- Enhanced physical health:
 - Individual students - from increased activity (headline IV issue) including the problem of obesity;
 - Parents - walking younger children when they might otherwise have driven if school wasn't so close;
 - Community - via decreased air pollution. (Note the British government has just been [successfully sued again](#) over air pollution);
- Enhances learning via benefits to concentration which even outweigh the benefit to concentration from having breakfast;
- Enhances connectivity and sense of belonging to the community;
- Better knowledge of layout of neighbourhood for students who travel to school by a means other than being driven.

Ensuring local public school provision and encouraging active transport to school will help achieve the recently stated Andrews labor government Education State target for 2025 of a 20 per cent increase in the proportion of kids doing an hour's physical activity, five times a week.

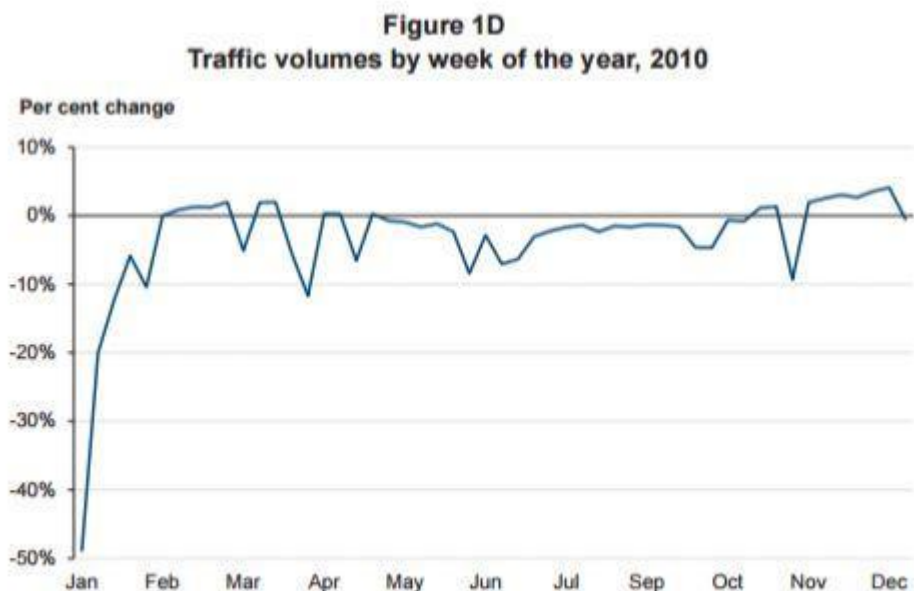
As IV point out in their [Draft 30 Year Infrastructure Strategy](#) (Pg 72):

“A particular challenge is the health and wellbeing of Victorian children. Some key Victorian Government indicators show that children are walking to school less and being driven more. In 2013, approximately half of all Victorian children aged 5 to 12 were always driven to school, and in 2014 only one in four children in school years 5, 8 and 11 met the recommended amount of physical activity on all days of the week, with children in rural areas more likely to meet guidelines than children in metropolitan areas.”

The 2013 Victorian Auditor-General’s Report on [Managing Traffic Congestion](#) identifies car trips to school as a significant contributor to road congestion and suggests demand management (Pgs 23, 24 & 57):

“The use of cars to drive children to school has risen steeply over the past three decades, contributing to widely dispersed areas of localised congestion. It further notes there is the opportunity for travel demand management measures to encourage mode shift for school journeys.

Figure 1D highlights the changes in traffic volumes across the 12 months of 2010, and shows the significant decline in volumes during school holiday periods. This suggests that changes in road use behaviour for school commuting have the potential to reduce current traffic volumes by around 5 to 10 per cent. This could lead to substantial improvements in road network performance and accessibility.”



Source: Victorian Auditor-General’s Office from VISTA 2009.

A recent American report, [At the Intersection of Active Transport and Equity \(2015\) pg.42](#) states:

“.....school siting has enormous impacts on neighborhood vitality – the proximity of a school affects housing prices, desirability, and community cohesion.... Schools sited near where children live not only helps kids walk and bicycle to school, but can also support children’s physical activity and community wellbeing after school hours by providing a convenient location for play, athletic activities, community meetings, and emergency centers, with shared use agreements promoting good uses of nearby amenities.”

Promoting the benefits of a public education is core government business in the Education State

Too often our leaders refer to how lucky they were to access a ‘quality education’. This invariably means a Catholic or Independent school education which implies to their constituents that public education is somehow inferior. This negative messaging aids and assists the work of the marketing professionals that are utilised by the private school sector often paid for by taxpayer funding. The Education State needs to champion its own public education system. We applaud the good stories the Victorian School Building Authority (VSBA) is telling and would like to see similar advertising that promotes our public education system in Victoria as offering access to education in local schools that are schools of choice.

Funding

We commend the State government for the establishment of the Victorian School Building Authority (VSBA) and Infrastructure Victoria (IV). We believe both these bodies will go a long way to achieving OCOS aims. In particular the transparent school funding pipeline recommended by IV would help get new school funding out of the election cycle and enable joined up, long term community planning for shared use of school facilities. The transparent pipeline would also, importantly, allow relative certainty for families.

OCOS requests that government make provision for at least 25% of the projected required schools, including land acquisitions and construction timeline commitments.

In addition, OCOS believes it is vitally important for the government to establish minimum benchmarks for public school facilities which ensure curriculum resources and facility equity.

We are a grassroots volunteer alliance – we do not profess to be budget experts but have included below some suggestions for funding this important infrastructure project for this budget cycle.

The recently announced sale of the Port of Melbourne will provide the State Government with a \$9.7b windfall to which can be added the healthy \$2.7b budget surplus. Additionally the recent Federal and Victorian Government deal to unlock \$1.5 billion of Federal money for Victorian transport infrastructure, should assist with providing the Education Infrastructure project a larger slice of budget allocation.

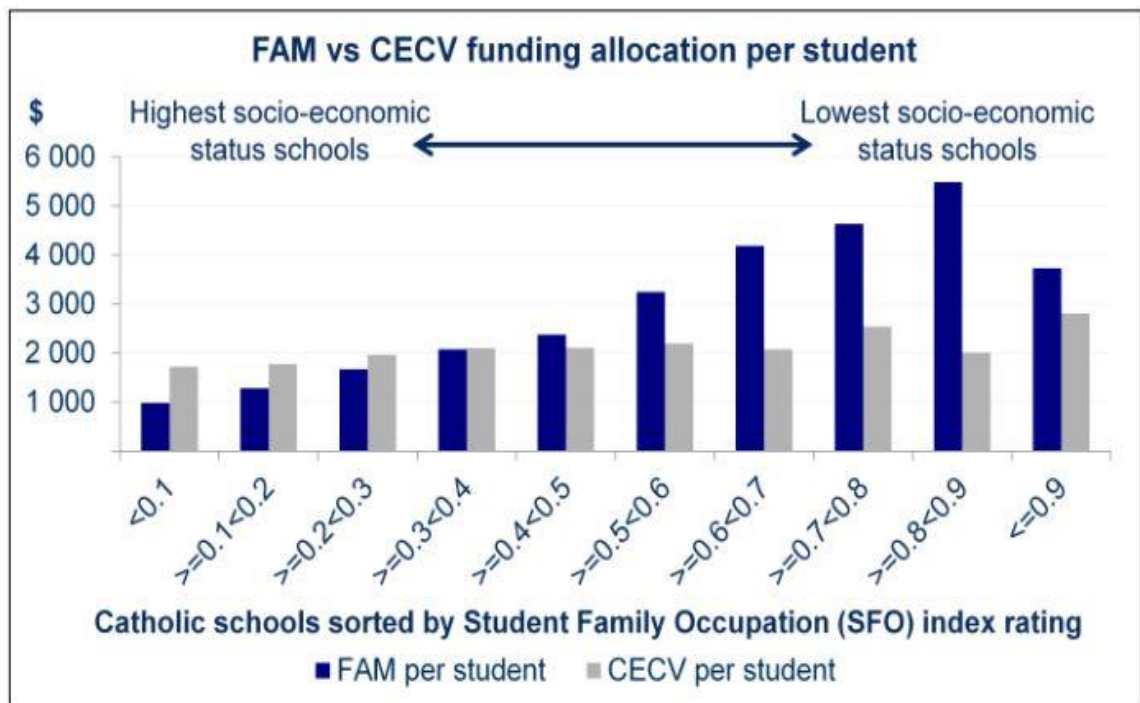
The Department of Education has informed us that it costs roughly \$20million per new public school build but this can vary depending on land value. To build the 220 schools projected by the Grattan Institute would therefore mean approximately \$4.4b is required.

Sources of funding for the Education State's school building projects

Further to the above Port windfall, the budget surplus and funds freed up by the Federal deal, possible funding streams could include:

- Borrowing. Minister Palls, OCOS commends you for your willingness to take on some sensible debt and we believe borrowing to build the Education State would be eminently sensible. This approach is particularly feasible right now as interest rates are at historic lows;
- OCOS would like to see direct developer contributions pay for school infrastructure whether it is an infill project, apartment or new housing development;
- Education bonds along the lines of a submission, [as reported](#) in the Age, from a former member of the taskforce that investigated the roll-out of the federal BER school building program. "Mr. McComas says the federal government could fund the catch-up building program over 15 years by issuing education bonds. A capital works program funded and rolled out over the long term on a "business as usual", non-stimulus basis would be unlikely to inflate building costs, the submission says. Retail investors in Australia's capital markets would view the education bonds as attractive investments, it says, with the bonds providing cheaper funding than public-private partnership arrangements.";
- All profits from school site sales and the federal asset recycling scheme which should remain in the Education portfolio budget for new schools;
- Recalibrating government funding of non-government schools would enable needs-based funding. Firstly, the concomitant 25% funding increase to non-government schools is by definition not sector blind. Support for this point is found in the Victorian Auditor General's report, [Grants to Non-Government Schools March 2016](#). This report showed that the Catholic Education system reallocated state government funding away from needy schools to less

needy schools. We would also like to see infrastructure grants to non-government schools have the same need assessment as the public schools system. Both these points are important to also combat rising levels of inequality. To further illustrate this point, we have included two graphs. The first is from the VAGO report as referenced above. This quote has been referenced from the VAGO slide show presentation to illustrate the graph below: “This slide shows the difference in DET’s allocation made using its FAM per student compared to CECV’s final allocation per student, with Catholic schools grouped according to student family occupation, or SFO, index rating. Overall, the highest socio-economic status schools, with an SFO index below 0.1, gained an additional 75.14 per cent in student funding while the lowest socio-economic status schools, with an SFO index of greater than 0.4, lost between 11.35 per cent and 63.33 per cent of their funding. This shown in Figure 3D of the report.”²

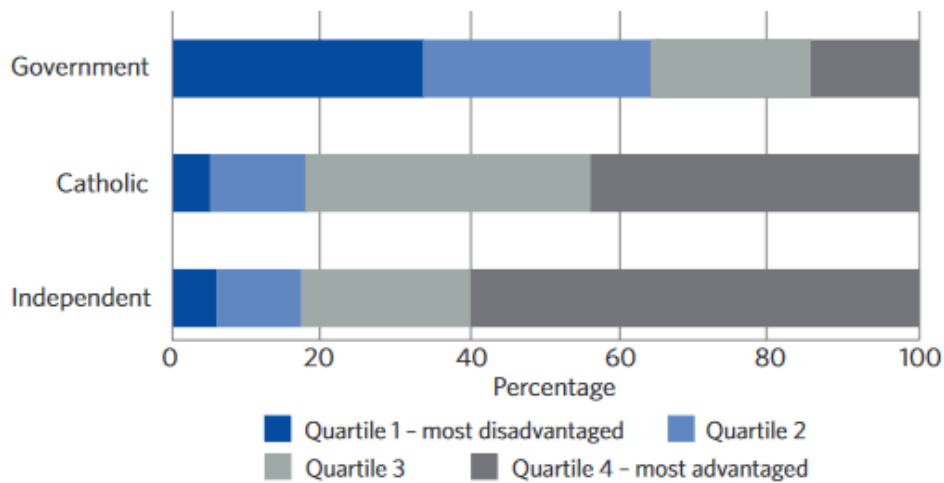


Source: [Figure 3D, VAGO, Grants to Non-Government Schools, power point presentation, March 2016.](#)

The second graph (shown overleaf) is sourced from the Emerging Issues and Ideas Report commissioned by the State Government and undertaken by Steve Bracks released in September 2016 ([the Bracks’ report.](#)) As can be seen below, figure 2 shows the concentration of social disadvantage by sector across schools. Coupled with the information shown above in the VAGO graph, continuing to overfund one sector is inefficient and does not make economic sense.

² VAGO Grants to Non-Government Schools, power point presentation, March 2016, pg 10.

Figure 2. Concentration of social disadvantage (Student Family Occupation) by sector



Source: DET August School Census, August 2014 and DET internal analysis

Conclusion

Our Children Our Schools requests the following provision be made in the 2017/2018 State Budget:

1. Funding allocation for at least 25% of the projected schools required to meet demand in high growth areas (including housing estates, infill projects, regional, middle ring, peri urban and inner suburbs), as well as land acquisitions and construction timeline commitments. This excludes the 42 new schools already in this year's current budget pipeline;
2. Allocation of funding for all abilities school design which includes building, fit out, landscaping (including annual grounds maintenance) and shade shelters;
3. Appropriate levels of funding to ensure that the State government is able to establish minimum benchmarks for public school facilities which ensures curriculum resources and facility equity;
4. Funding allocation for an advertising campaign, similar in style to that being employed by VSBA and possibly using the same resources, to promote public schools as schools of choice.