

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

PRESS RELEASE 647#

STATE AUDITOR- GENERAL FINALLY BLOWS THE WHISTLE ON PUBLIC FUNDING OF PRIVATE SCHOOLS

For fifty years DOGS have been pointing to the State within the State which is paid billions of dollars of public money to indoctrinate children and build up wealth in real estate and investments – with no strings attached. Periodically, DOGS have placed advertisements in newspapers, exposing the irresponsibility of the religious education sector and demanded that the Commonwealth Attorney General look at the State Aid scandal.

<http://www.adogs.info/images/pr246.htm>

In 2008 the Commonwealth Auditor General complained that there was minimal, if any accountability for Commonwealth money. DOGS noted that the Commonwealth Department checked on private religious schools' expenditure of public money once every 50 years!

<http://www.adogs.info/images/pr256.htm>

By 2016, at the State level a Victorian auditor-general who was experienced in Canadian procedures indicated that things were not as they should be! He was looking carefully at the lack of accountability from the Catholic Education Office, Victoria. Stephen Elder, their CEO was not, and is still not happy. That auditor-general was forced to resign. Yet, thankfully, the new, acting Auditor General has not stepped back from blowing the whistle regarding State grants to private religious schools.

In a scathing report, acting Auditor-General Dr Peter Frost said the education department had "weak" funding agreements with the schools, no performance measurement or targets, and that the schools were unable to prove funds were spent as they were intended.

"My audit found that there is limited assurance that grants are used for their intended purpose or are achieving intended outcomes," he wrote. *Grants to Non-Government Schools report*, which was tabled in Parliament on Wednesday.

"The absence of clear, appropriate governance by [the education department] has led to poor grant administration, including inadequate monitoring ... of whether grants are used as intended."

In a sample audit of 22 schools, none could prove that their funding was not used on capital works, which is forbidden. And only 20 per cent of schools receiving student disability grants could prove that they were used for the purpose that they were intended.

His most critical comments were aimed at the Catholic Education Office:

The department has very limited visibility of CECV's methodology and the revised allocations provided to Catholic schools, and I have recommended it clarify any conditions and reporting associated with reallocating recurrent grants. My audit found that there is limited assurance that grants are used for their intended purpose or are achieving intended outcomes. There are significant weaknesses in DET's funding agreements with system authorities and non-government schools, and its management of grants has been poor. There has been limited oversight of the non-government school sector by DET, and this has resulted in a lack of transparency and accountability for the use of state government grants.

The audit revealed what DOGS have been claiming since the 1960s: that due to a funding model that relates only to Catholic schools, some wealthier Catholic schools received substantially more in government grants than they would have under the department's funding arrangement, while poorer schools received less.

Government funding for Victoria's nearly 500 Catholic schools is distributed by the Catholic Education Commission Victoria. The Auditor General has revealed that the Minister, through the Department of Education has almost no control or accountability for any of these funds. This, of course, is what State Aid is all about and has always been about. The State within the State, namely the Church, obtaining public Treasury funds with no accountability.

There has never been a genuine "Needs" policy as far as the private schools are concerned. The so-called poor parish schools syndrome was only a ploy to obtain State Aid with no strings attached.

Not unsurprisingly, the Catholic Education Commission Victoria, has accused the watchdog of conducting a biased report. Their chief executive, Stephen Elder, said the audit was "limited in scope" and the auditor-general was trying to endorse previous criticisms it had made to media about school government grants.

"It is hard not to conclude that the scope was intentionally designed to serve this purpose, given that a broader scope would have challenged many of VAGO's findings," Mr Elder said.

Dr Frost rejected the criticism, saying that the audit "may not have been the one the CECV [Catholic Education Commission of Victoria] wanted".

The auditor-general investigated more than \$640 million in non-competitive grants given to private schools in 2014 and found most of it was "untagged".

Independent Schools Victoria's chief executive, Michelle Green, realised that the game was up. Pledged to work with the department to improve the administration of grants.

“The public has a right to know how taxpayers’ money is spent,” she said.

An education department spokeswoman said the department accepted all of the recommendations presented, and would “work closely with the non-government schools sector to deliver greater clarity, transparency and accountability for state funding”.

The only way they can do this is to take the schools over, open them to all children, rationalise the ridiculous duplication of facilities, fund them with public money and make them truly accountable.

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