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## Loophole keeps schools in clover

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PRIVATE schools identified as receiving an already too-generous share of government funding are exploiting a loophole to claim even more money from taxpayers - simply by building more campuses.

Among the biggest winners is the Exclusive Brethren, a controversial sect which has established 16 campuses around NSW, a secret review by the federal Education Department, leaked to the *Herald*, reveals.

The review singles out the MET School at Meadowbank, run by the Brethren, as an example of what it sees as schools getting an unfair advantage. It is the parent school for the other 15 campuses. Only one of these, at Kellyville, is within 50 kilometres of the parent school. One, Lavington, is 600 kilometres away in Albury.

If they were called new schools, they would not qualify for the same generous funding. But as "campuses", they keep it.

The report says that MET School already receives more assistance than it is strictly entitled to under the federal formula for funding private schools. That, in itself, is not unusual.

As the *Herald* revealed on Saturday, the review points out that half the nation's private schools are funded above their entitlement under this formula, which measures each school's need according to the socio-economic status of the regions where families of its students live.

The department is critical of the "inequities" being entrenched because these schools, under a deal struck with the Howard government, have had their funding maintained at the same level as before the SES system was introduced in 2001.

The overfunding has cost taxpayers more than \$2 billion over four years and, according to the review, will cost \$2.7 billion over the next four-year funding cycle, starting next year.

But schools such as MET have been able to extend this generous treatment even further

by establishing the campuses. "A pattern is emerging among Funding Maintained schools to establish campuses in preference to new schools," the department review says.

"A campus of a school has the same funding status as the parent school and where the parent school is Funding Maintained, this provides a funding advantage for the newly established campus."

If the campuses were to be established as new schools, it says, they would be assessed on their socio-economic needs and funded accordingly.

Under current laws there is no restriction on where a non-government school may set up a campus, provided it is accredited by the State Government and in the same state. The review says the loophole

should be investigated before the next four-year funding agreement, from 2009, is settled later this year.

A spokeswoman for the MET School, Jacqui Van de Velde-Gilbert, said the campus network had nothing to do with funding incentives and was "perfectly legal". She said the school had established 16 campuses, including the parent school, in NSW to centralise governance, administration, teacher networking and education programs, ensuring they were consistent. Some schools were in poorer areas and would attract high levels of funding in their own right.

"Had the campuses set up as stand-alone schools, they would have struggled to continue without access to the central support," she said.

"The school's decision to develop this model was based on need. Families in particular areas requested help in establishing educational facilities for their children, not on the basis of funding."

The NSW Greens MP John Kaye said the Melrose Park School in South Australia was also an Exclusive Brethren school and included in the Funding Maintained category.

"Its Mt Gambier students are counted under the Funding Maintained system even though they are at a separate campus, established well after the SES system was introduced," Dr Kaye said.

Despite having previously criticised the Funding Maintained system as unfair, the Prime Minister, Kevin Rudd, locked Labor into keeping it before the federal election.

The Department of Education's internal review of the funding for private schools was commissioned by the Howard government and completed last year.

The Rudd Government refused to release it to the *Herald* under a freedom of information request. The leaked report recommends dealing with the extra funding by gradually taking money away from many schools until they receive their correct entitlement.

Dr Kaye said: "Any claims to having implemented an SES-based model are a sham as long as almost half of all private schools are sheltered from the formula."

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