

What is SES and what does it mean for me?

All the questions about SES scores that you wanted to know but were afraid to ask

School socioeconomic status, or SES, scores have been mentioned a fair bit over the last month. This is because they are the most important factor in determining how much funding Catholic schools receive from the Australian Government. That makes them a pretty vital part of the funding debate – one that hits Catholic school families in the pocket.

Catholic education authorities are among the many voices that have raised concerns about whether SES scores are accurate.

This is a short guide about what SES scores are, how they're supposed to work, why they don't, and who says they need to change.

What are school SES scores?

SES scores are calculated for each neighbourhood in Australia through a very complex process using Census data. Using student home addresses, each family is assigned to a neighbourhood of about 200 households, and deemed to have the average characteristics of that neighbourhood.

SES scores are mostly based on the occupations and education levels of people in each neighbourhood, not their income or wealth.

How are school SES scores used in school funding?

The Australian Government uses school SES scores as a means test in school funding. From a school's SES score, the Australian Government calculates how much funding a school is expected to raise from parents (mostly in school fees).

Schools receive an average SES score, based on the scores allocated to each of their families. The average score is about 100. The higher a school's SES score, the more funding it is expected to raise from families. Schools that draw their students from high-SES neighbourhoods receive less government funding, and schools that draw their students from low-SES neighbourhoods receive more government funding.

Why don't SES scores work?

Remember that SES scores are not based on each family – they are based on the family's neighbourhood, and on the assumption that each household in a neighbourhood is exactly the same.

When you drive through your own suburb, it's very clear that the characteristics of families can vary significantly from one household to the

next. SES scores, therefore, cannot give an accurate assessment of individual families and can sometimes lead to major inaccuracies. That can lead to major inaccuracies in the SES scores assigned to schools.

Compare these schools

A good example of this is in Kensington. Kensington is a suburb of Melbourne, located four kilometres from the CBD. Its closeness to the city has also made it a sought-after place to live, with many middle-class families moving to the suburb. This means, on average, that Kensington could be considered 'middle-class'. But Kensington is very diverse. For instance, it is also home to a public housing estate for close to 1000 people, catering to disadvantaged families and refugees. It is wrong to assume everyone in Kensington is the same.

The Catholic primary school in Kensington is Holy Rosary School. Because Kensington is, on average, a middle class suburb, Holy Rosary receives a school SES score of 119. This is a high score (remember, the average school SES score is about 100) – but more importantly, it is too high for Holy Rosary. Holy Rosary only raised \$1,287 per student in fees and other

How school SES scores are shaped





Holy Rosary School, Kensington

SES Score

119

Enrolments

300

Students from Health Care Card families

30 (10%)

Educationally disadvantaged students

19%

Fees, charges and parent contributions

\$1,287/ student



Geelong Grammar

SES Score

115

Enrolments

1,457

Students from Health Care Card families

0

Educationally disadvantaged students

7%

Fees, charges and parent contributions

\$18,823/ student

contributions in 2015. Of its student population:

- 10% are currently Australian Government Health Care Card recipients, meaning that families need additional support.
- 19% of considered to come from educationally disadvantaged backgrounds
- 27% percent have a language background other than English.

Compare this to Geelong Grammar in Corio, one of Australia's most exclusive schools. Geelong Grammar has an SES score of 115, which is lower than that of Holy Rosary School. It is still a reasonably high score, but it is too low for Geelong Grammar.

Geelong Grammar receives an SES score that is too low because it attracts many students from country areas whose families are, on average, not well off. But the majority of families at Geelong Grammar contributed \$18,823 per student in fees and other charges in 2015. So clearly most families are well off.

You're probably scratching your head and wondering why, based on school SES scores; Holy Rosary is considered to have richer families than Geelong Grammar. In fact, due to the calculations included in the funding model proposed by the Australian Government, the parents of primary school students at Holy Rosary will be

expected to pay **\$1,146** more in school fees, than parents of primary students at Geelong Grammar.

It just doesn't make sense.

Comparisons like the one between Holy Rosary School and Geelong Grammar are just one example of the flaws Catholic education has argued in its call to change how SES scores are calculated.

Who else says SES scores need to change?

The call to replace SES scores has been widespread. In 2011, the panel led by David Gonski said: 'The current SES measure is ... subject to a potentially large degree of inaccuracy as the students attending a particular school are not necessarily representative of the socioeconomic averages of the areas in which they live. A more precise measure of the SES of a school would be more accurate and credible'.

More recently, the architect of the SES funding model, Associate Professor Stephen Farish, said that 'the SES scoring system is outdated and needs to be reviewed ... It is clearly not working at the top end for the more prestigious schools ... It is clearly time to overhaul it ...'. The argument to change the SES scoring system has also been raised by the Grattan Institute, the Centre for Independent Studies, and *The Age* and *The Australian* editorialists.

When will the Australian Government change the SES scoring system?

At this stage, never.

Instead, the Turnbull Government announced a plan to make school SES scores even more important in school funding. Currently, Catholic systems receive funding as if they were one big school, with an SES of 101. Catholic systems can then allocate funding to smooth out some of the inaccuracies that arise through the SES scoring system. However, the Turnbull Government will now fund Catholic schools based on their individual SES score.

Fees are likely to increase in some schools because under the Government's proposal, it will be more difficult for Catholic systems to smooth out the inaccuracies of the SES scoring system. Catholic systems will face significant pressure to reduce funding for schools with higher than average SES scores (above SES 101). This could lead to fee increases.

What can you do to help?

Your principal can provide you with a letter that you can send to the federal Minister for Education, Simon Birmingham, asking him to consider reviewing the SES scoring system.

Alternatively, you can download a copy of the letter from www.cem.edu.au/funding.