



ISCA policy positions on the funding of independent schools

Part 1: Statement of concepts, principles and assessment criteria

ISCA has developed a statement of concepts, principles and assessment criteria that it believes should be reflected in government funding for school education, and against which funding models can be assessed.

Concepts

The independent schools sector believes that funding models for school education should reflect three fundamental concepts:

- **Individual choice of schooling**
- **Diversity of schooling options**
- **Committed partnerships between schools, parents and governments**

Community attitudes to education are changing rapidly and there is a demand by parents for choice not only between government and non-government schools but among government schools. Enrolment trends over the past fifteen years demonstrate that parents want choice and that increasingly they are prepared to pay for it.

At the same time, the community is seeking government funding support that focuses more on access to education services rather than on institutional ownership. ISCA's view is that funding models will be assessed on the extent to which they recognise supplier diversity in schooling and support school choice.

To encourage diversity, funding models need to acknowledge the importance of autonomy in quality schooling provision. All schools should be accountable for their use of public funds, but government accountability requirements should not limit the ability of schools to be innovative and provide diversity and choice in school education.

Non-government schooling is supported and sustained through a partnership comprising the Australian Government, state and territory governments, and parents. With one-third of Australian students now educated in non-government schools it is vital that this partnership is reliable, stable and sustainable if the overall quality of schooling in Australia is to be maintained.



Funding principles

While current government funding arrangements reflect the historical context of schooling in Australia, ISCA recognises a growing demand for choice and student-centred funding models.

ISCA advocates four key funding principles that should underpin recurrent funding policies for independent schools:

Basic entitlement for all

It is a fundamental right for all children to have access to schooling in the compulsory years, and it is a core function of governments to provide this access. Successive federal governments have recognised their responsibility to support a school education for each Australian child, irrespective of family background or school. Future governments should continue to do so.

A basic funding entitlement for all students provides incentive and support to parents who are willing to pay substantial after-tax dollars for schooling. It also acknowledges that every student is a member of the wider community, and that all schools bring benefits to society.

Additional needs-based support

The basic per student grant should be supplemented by a needs-based approach, which recognises the relative educational disadvantage of students, including students with disabilities, students from non-English speaking backgrounds, indigenous students and students from rural and remote areas.

Stability and predictability

Stability and predictability in funding is critical for quality school provision. ISCA strongly endorses the Australian Government's established policy of providing legislated quadrennial funding for government and non-government schools, adjusted annually to meet cost increases. This facilitates financial planning and management within schools, enhancing their capacity to provide the best quality education with the resources available to them.

Stable and predictable funding arrangements also support families in planning for the private funds that they commit to their children's schooling.

Annual indexation

The increasing costs of schooling reflect improvements in quality as well as movements in salaries and conditions for staff. Consequently the costs of schooling increase at a greater rate than for most other services in the community. It is important that governments continue to fully contribute to these cost movements through annual indexation of grants based on a specific schools index.

Criteria for assessing funding models

ISCA considers that the essential criteria for assessing school funding models are:

Equity – per student funding for schools serving communities with similar attributes should generally be comparable;

Incentive – the funding arrangement should support students in a way that encourages, not discourages, parental investment in schooling;

Flexibility – schools should not be locked into a particular funding level that impedes them from responding to changes in their school community;

Transparency – assessment of need should be based on reliable and transparent data;

Simplicity – the funding arrangement should be simple to administer, with low administration costs for government and compliance costs for schools;

Predictability – schools should have a high degree of certainty about future funding to facilitate financial planning and management.

Part 2: Australian Government funding arrangements for independent schools

The following points have been made by ISCA in the context of its submissions to government in the lead up to the 2009 to 2012 funding quadrennium.

Enrolment growth

- Enrolments in independent schools are growing steadily, from 114,000 in 1970 to approximately 490,000 in 2006. The independent schools sector now accounts for 14 per cent of total student enrolments, compared with 4 per cent in 1970.
- The continuing enrolment growth over the past 35 years has been irrespective of the political persuasions of governments over the period, and is consistent with widespread indications of a demand by members of the Australian community for increased choice in the way they expend their income and resources.

The SES funding model

- ISCA is generally supportive of current funding arrangements. The SES model is the best of any so far developed for government funding, and it is widely supported by the independent sector. ISCA believes that the SES funding arrangements should be continued over the 2009 to 2012 quadrennium in order to ensure stability, continuity and certainty for schools, students and parents.

Funding transition arrangements

- The funding guarantee has worked successfully over the 2005 to 2008 funding period. As data from the 2006 census becomes available, DEST will recalculate schools' SES scores and funding entitlements for the 2009 to 2012 funding period. Any necessary funding adjustments arising from this process should be phased in over the next quadrennium under funding guarantee arrangements.
- ISCA supports funding maintenance provisions as an essential element of the operation of the SES scheme. The level of support which successive federal governments provided over many years before the commencement of the SES model was in actual fact the minimum amount needed by a significant group of schools in order to be viable. ISCA supports the continuation of funding for these schools at least at the level in real terms of their pre-SES rate.

Affordability

- Under current arrangements the levels of funding provided to schools are failing to keep pace with rising costs. ISCA believes that before the commencement of the next funding quadrennium the Australian Government should review the overall level of funding to schools.
- The continuing growth in independent school enrolments, particularly in schools that wish to be 'low fee schools', is becoming more difficult to sustain. Schools can only be 'low fee' if governments provide substantial support. There is an increasing gap between the rate of growth in school costs (for all schools) and growth in average family incomes.

Indexation

- It is essential that governments contribute to the increasing costs of schooling through annual indexation of grants based on a specific schools index. ISCA supports the AGSRC as an index to supplement general and targeted recurrent funding over time. ISCA believes that given the significance of indexation, it would be appropriate for the AGSRC to reflect more accurately and transparently the actual costs of schooling.

Capital

- Parents meet on average around 90% of all capital costs in independent schools. Any additional support by governments is welcomed.
- ISCA would strongly support an injection of substantial additional capital funds over the 2009 to 2012 funding period, targeted in particular to schools at the lower end of the SES range that are experiencing strong enrolment growth.

Students with disability

- Recurrent funding for non-government schools does not meet the specific educational support needs of students with disability and is unrelated to the number of students with disability in a given school or to each student's particular needs.
- Support for these students should be based on the level of funding required to allow them to achieve their educational goals. Governments need to address this serious issue and in particular ensure that funding follows the student.

Indigenous schools

- ISCA supports the implementation of measures to allow an independent school which is a part of a defined Aboriginal community and enrolls a significant percentage of indigenous students to be defined as a special assistance school, entitled to receive maximum general recurrent funding without regard to the SES of the school community.

Remote areas

- The Australian Government's recurrent funding arrangements need to take account of the circumstances of schools in remote areas. ISCA believes independent schools that operate in remote regions, or in other special circumstances of very high need, should be entitled to receive maximum recurrent funding without regard to the SES of the school community.

ICT

- ISCA supports the introduction of a new targeted programme which would specifically address ICT in schools as a significant national infrastructure issue.

Regulation

- The increased government regulatory environment requires schools to divert resources from their core business of teaching and learning and risks diminishing the sector's highly valued independence and autonomy. ISCA would support a review and stock-take of government regulatory requirements before the commencement of the 2009 to 2012 quadrennium.

National assessment

- ISCA supports national literacy and numeracy assessment, provided equitable arrangements are in place for their delivery. The full cost of assessment and reporting programmes which are mandated by state and territory ministers and by the Australian Government should be met by governments, irrespective of the sector in which students are being educated.
-

11 April 2007