

Funding principles for students in independent schools

The Independent Schools Council of Australia (ISCA) has identified three basic concepts that should inform government funding policies for school education: individual choice of school, diversity of schooling options, and committed partnerships between governments, schools and parents.

As a sector, independent schools provide for students of all abilities – including a growing number of students with special needs – from all social and ethnic backgrounds, and across all states and territories. They provide quality schooling for a wide range of communities, including some of Australia’s most remote and disadvantaged Indigenous communities, communities in regional towns and cities, and diverse communities in the nation’s capital cities.

More families than ever before have enrolled their children at independent schools, despite the fact that this entails a significant private contribution.

There is a strong message in this trend for governments. Many Australians are willing to contribute more to schooling than their tax contribution if it means attaining the education they value most for their children. So, how should governments best support students, families and schools in their endeavours?

Currently governments expend an average of \$10,003 per annum in recurrent funding on each student enrolled in a government school. Students in independent schools receive on average \$4,595 per annum in public funding. Families of these students make up the shortfall through school fees, donations, and fundraising.

It is estimated that the funds saved to governments by the independent schools sector are about \$2.2 billion per annum.

Choice, diversity and partnership

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

- individual choice of schooling
- diversity of schooling options
- committed partnerships between schools, parents and governments.

To support these concepts, the ISCA considers that the following principles should underpin schools funding policies:

- basic entitlement for all students
- additional needs-based support
- stability for families and schools
- annual indexation.

Basic entitlement for all

Australian society recognises that it is a fundamental right for all children to have access to schooling in the compulsory years. It is a core function of governments to provide this access and successive federal governments have recognised their responsibility to provide recurrent funding for each Australian child – irrespective of family





background or school. This provides incentive and supports 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.

The independent schools sector supports a reasonable basic entitlement for each independent school student.

Needs-based support

The basic entitlement 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 for families and schools

Independent schools need stable and predictable funding to plan and deliver their education programmes. They depend substantially on parents to fund their programmes. The level of fees paid by parents in an independent school is determined by the cost of the particular education the school offers, and the amount of government funding provided for each student at the school. Stability in the funding schemes used by governments enables schools and parents to make provision for future schooling costs.

Annual indexation

It has long been recognised that the increases in costs of schooling include 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 contribute fully to these cost movements through annual indexation of their grants based on a specific schools index.

The sector believes the essential criteria for public funding systems for non-government schools are:

- **Equity** – schools serving similar communities should generally be funded at similar levels.
- **Incentive** – governments 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, impeding them from responding to changes in their school community.
- **Transparency** – the relative need of schools should be assessed on reliable and transparent data.
- **Simplicity** – the funding arrangement should be simple to administer, with low administration costs for both government and schools.
- **Predictability** – it is important that there is a high degree of stability and certainty in school funding arrangements to assist schools with their financial planning and management.

ISCA continues to support the current Socio-Economic Status (SES) funding scheme for independent schools (see **Government funding of independent schools, page 31**) as it largely satisfies these criteria. At the same time, ISCA recognises the importance of phase-in and safety net arrangements needed for some schools.

On balance, the current SES arrangements ensure fair and equitable funding for the vast majority of independent schools, and are superior to previous funding models which relied on an Education Resource Index.

