Submission Number 35
Date Received: 15/02/2013

A I S S A

ASSOCIATION of INDEPENDENT SCHOOLS of SA

15 February, 2013

Committee Secretary
House of Representatives Standing Committee on
Education and Employment
PO Box 6021
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CANBERRA ACT 2600

Email: educationbill.reps@aph.gov.au

Dear Sir/Madam

AISSA Response to the Inquiry into the Australian Education Bill 2012

Context

The Association of Independent Schools of South Australia (AISSA) represents the interests of 95 South Australian not-for-profit Independent schools with an enrolment in excess of 45,500. The majority of SA Independent schools are incorporated under the Associations and Incorporations Act 1985. The AISSA is a member of the Independent Schools Council of Australia (ISCA). The ISCA submission contains comprehensive background information on funding arrangements and the profile of Independent schools. Therefore this background information is not duplicated in the AISSA submission.

The response of AISSA is based on the following key positions:

1. More information about the future funding arrangements should be provided immediately to each Independent school so they can consider the implications for their students and school communities;

2. It is not possible to commit to any new funding model until comprehensive modelling has been released to individual Independent schools and system authorities which demonstrate the immediate and long-term financial impact of the changes on each SA Independent school. Schools require certainty to enable long-term strategic and financial planning;

3. No Independent school student or family should be worse off in **real terms** because of changes to government (State and Federal) funding;

4. Funding and support for students with a disability should be allocated at the same level regardless of the school or sector they attend and based on consistent mechanisms for identifying students with a disability;

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Formerly South Australian Independent Schools Board Incorporated

5. Access to support services and professional development through an efficient and effective administrative support model, such as the current Targeted Program model, is essential to support the needs of disadvantaged students and to enhancing educational outcomes for all students;

6. It is essential that an independent data source, such as ABS census mesh blocks, forms the basis of any new funding arrangements. There is confidence in the processes underpinning the collection of ABS data. Parent background data, currently collected for NAPLAN and to construct the ICSEA and ISEA, is not of a quality to be used for such an important high stakes purpose such as allocating public funds to Independent schools; and

7. There needs to be greater transparency about the deliberations that are occurring between governments about future funding arrangements for all schools.

The AISSA supports the position presented by ISCA that:

"The uncertainty surrounding future funding arrangements for independent schools is making it increasingly difficult for schools to undertake important financial and administrative planning."

The *Australian Education Bill 2012* provides a long long-term vision and corresponding goals for the Australian school education system. It is a welcome development that the Government has set a range of 'aspirational' goals that are not limited by election cycles. In particular the AISSA supports the Bill's underpinning focus on achieving excellence in education and enhancing equity.

The lack of detail in the Bill about specific funding arrangements and the compliance implications for schools is, however, extremely disappointing. Despite the release of the Gonski Report in February 2012, the announcement of the Government response on 3rd September 2012 and the introduction of this Bill on 28 November 2012, South Australian Independent schools still have little practical information on what changes will be implemented. The new funding arrangements are scheduled to begin in 2014, giving Independent schools and their communities less than twelve months to plan and budget for the changes.

This is an unacceptable situation.

The absence of detail added to the lack of transparency around the consultation is undermining the sector's confidence in the process.

It is essential that all school communities have an opportunity to comment on proposed changes and receive detail on the following areas as a matter of urgency:

- the level of prescription which will be contained in the National Plan for School Improvement and any reporting requirements attached to the Plan;
- the level of funding which will be received by individual schools and the administration mechanism for distribution, including arrangements for direct funding to schools;
- additional programs to support students with special needs and other key government priorities such as literacy and numeracy and quality teacher programs;

- funding for capital work programs;
- indexation and transition arrangements for schools; and
- compliance and accountability requirements.

Our analysis of the two sets of data using versions of the Gonski model demonstrates the volatility and complexity of the proposed funding arrangements. Our ability to give more detail to support this view is limited by strict COAG confidentiality arrangements associated with negotiations between school authorities and the Australian Government. The ISCA submission highlights the issues that have emerged with the analysis of the above data. (See Page 25-27 of the ISCA submission). In particular, we draw your attention to the uncertainty among Independent schools in South Australia about the actual meaning of the Australian Government's commitment that no Independent school or student will lose a dollar as an outcome of the review. In reality there is a high degree of cynicism across school communities about this commitment.

We strongly support the ISCA position in the above submission that:

"In summary, while the modelling may indicate a net increase in funding to the sector, the nature of the sector necessitates an analysis of the model's application to individual independent schools." (See Page 26)

In addition the lack of public commitment from both the Australian and State Governments in terms of the allocation of new funding adds to the lack of confidence in the process and the ability to plan for the future.

The lack of transparency associated with the current negotiations is of significant concern to AISSA.

The following specific comments in relation to Part 2 of the Bill are presented for consideration.

School Funding – Recurrent- Section 9

Section 9 of the Bill provides a broad outline of how schools will be funded in that there will be a base recurrent allocation for all students and additional funding to address educational disadvantage in the form of *loadings*. However, no information is provided on how the base recurrent amount is to be calculated or how the funding will be administered and distributed, given that the new funding arrangements are inclusive of Australian and State Government funding.

Currently, non-systemic Independent schools and school system authorities, on behalf of systemic Independent schools, sign individual funding agreements with the Australian Government. The AISSA supports the continuation of this process in establishing the link between receipt of both Australian Government and State Government funding and the National Plan for School Improvement.

Changes to government funding arrangements are likely to have significant implications for school budgeting and administration. The lack of information regarding the practical implications of the changes has led to considerable apprehension and concern in school communities. The concern is widespread across Independent school communities.

The AISSA is aware that DEEWR is undertaking work to refine the proposed model and also that discussions are continuing to take place with State and Territory Governments and some

non-government education authorities on the funding model. However, information on the progress of these discussions has not been released to the key stakeholders including schools and some school authorities. Media reports imply little progress is being made on the substantive question of the additional funds.

In the period before the introduction of the SES model individual schools were advised well ahead of time of their funding levels and SES status. The process for introducing these changes is in stark contrast to the Independent school sector's experience with the current funding review.

The AISSA supports the concerns raised in the ISCA submission relating to the complexity of the current discussions about future school funding arrangements, (See Page 21 of ISCA submission); in particular the lack of clarity about how the outcomes of the various levels of negotiation will impact on non-systemic and systemic Independent schools.

The AISSA supports the concerns raised in the ISCA submission (See Page 14) regarding the disenfranchisement of key non-government education authorities in the high level policy decisions made by senior officials of State government departments and SCEEC. At best the consultation with Non-Government school authorities is ad-hoc and tends to occur after decisions are made by the above government authorities.

School Funding – Support for Students with Educational Disadvantage- Section 9

Government funding arrangements have long recognised that some students have different educational needs and require additional resources. Section 9 (c) states that 'educational disadvantage ...will be recognised and addressed through providing additional recurrent funding in the form of *loadings*.' This suggests that the *loadings* will be used as a replacement for grants and services, currently provided through government funded Targeted Programs and National Partnerships managed by the AIS's in each State and Territory.

The AISSA and its member schools were highly supportive of the Gonski recommendation that students with disabilities should be fully funded, regardless of the sector in which they are educated. While funding for students with disabilities will be provided as part of the *loadings* it is not clear what level of funding will be provided or how eligibility will be determined.

Government funding for students with disabilities should be a true reflection of the cost of educating these students and be consistent across the States and Territories.

The AISSA does not support the use of *loadings* as a sole mechanism for replacement of a wide range of existing government funded programs, such as Targeted Programs and some National Partnerships.

Funding from Targeted Programs and National Partnerships has enabled the AISSA to provide a range of support services to SA Independent schools to address educational disadvantage including in the areas of advice and professional development. These services have been in place for over 15 years and are strongly supported by Independent schools in South Australia.

The key elements in the AISSA's provision of support are efficiency and effectiveness in program service delivery, including ensuring that a substantial proportion of funding is

allocated to support schools, staff and students, access to appropriate expertise on a long-term basis and access to appropriate equipment and facilities.

The SA Independent school sector provides a benchmark for best practice governance and management of government funded programs outside the school system administration arrangements, such as Targeted Programs, Block Grants (capital works), and Australian Government Quality Teacher Program. In addition, the AISSA provides a client focused service to schools and system authorities within the sector, enabling schools to access professional expertise and knowledge across the spectrum of educational areas. These governance and management arrangements achieve the benefits of operating as a system but differ in that they can encompass schools which are members of a system and also non-systemic schools, and still allow significant individual autonomy.

The Australian Government and State Governments need to be aware that the wide range of support services provided by AISSA to all Independent schools in South Australia will cease as of January 2014 if Targeted Programs are abolished as part of the new funding arrangements. This will result in the withdrawal of services in the area of literacy and numeracy, students with disabilities and learning difficulties, ESL, Indigenous education and languages and implementation of the Australian Curriculum. The ISCA submission provides further detail on the negative implications for the Independent sector on the termination of the above programs, (See Page 23 and 24 of the ISCA submission).

The AISSA is recognised as the peak body for Independent schools in South Australia and is embedded in a number of Acts of State Parliament as a prescribed or recognised authority for a range of purposes. This involves meeting certain obligations on behalf of the Independent sector in South Australia. This recognition does link to some of the activities funded across school sectors by the Australian Government. Our ability to provide that support will be limited if significant levels of Australian Government funding associated with programs is withdrawn.

The significant loss of staff with expertise and services to schools will have a negative multiplier effect on the capability of AISSA to support schools in planning and implementing key elements of the National Plan for School Improvement.

DEEWR will also not be able to rely on the AISSA for a number of data collections or as a means of monitoring accountability requirements.

We are aware that discussions continue with the Australian Government on this significant issue; however it is not possible under the constraints of the COAG confidentiality requirements, (referred on page 1 of this submission) to outline what those options may be.

It is however essential that the Australian government consult with AIS's and schools before making any decision on the options that are being considered to ensure Independent schools are able to receive support via the AIS's, particularly in relation to those services supporting disadvantaged schools and students. It is our view there will be a backlash from school communities if the Australian Government commitment for additional funding at the school level is not honoured and services are terminated without a replacement mechanism introduced as part of the new arrangements.

Indexation and Transition Arrangements

The arrangements for indexation are not outlined in the Bill. The AISSA welcomed the Prime Minister's assertion that no school would lose a dollar of funding under the new arrangements. As stated earlier there are varying interpretations of this commitment. It is clear form the analysis of data provided to AISSA that there will be 'losers' under the new funding arrangements if indexation does not match in real terms the increasing costs of education, which are rising at a much higher rate than the standard CPI.

No mention is made of transition arrangements for schools disadvantaged under the new funding formula. Any changes to current funding arrangements should include a transparent methodology by which schools negatively affected by any change to their funding level are able to transition over a structured period of time so as to minimise any negative impacts on school communities, in particular on parents.

It is the AISSA's expectation that these arrangements should be covered within this Bill.

Capital Works

The silence of the Bill in relation to funding of capital works is of considerable concern to the SA Independent school sector. SA Independent schools receive no funding for capital works from the State Government and are heavily reliant on parents, the wider school community and, in the case of lower SES schools, the Australian Government for funding capital works. In some Independent schools capital works (outside of the BER) have been entirely funded by parents and the wider school community.

The AISSA would be concerned if the lack of any mention in the Bill related to capital works reflects a government shift in policy to no longer provide this funding.

The Independent school sector has a strong record in the effective and efficient delivery of Australian Government capital grants to Independent schools. Capital works funding from the Commonwealth is intended to support schools that cater to the most disadvantaged schools and students. As a secondary requirement, financial need must be demonstrated and this determines the proportion of funding schools are provided (also based on the available funds from the Commonwealth).

Grant allocation is based on submissions by schools and determined by the South Australian Independent Schools Block Grant Authority (BGA), which is an incorporated body established by the AISSA to make recommendations to the Federal Minister on the allocation of funds for capital projects in Independent schools. Its governance arrangement is representative of the major interest groups within the Independent school sector. The administration of the BGA operations is undertaken within the AISSA office. It also operates under a formal funding agreement with the Australian Government, which requires it to comply with relevant administration guidelines and legislation.

Developing a National Plan for School Improvement- Section 6

The AISSA supports the goals of improving school performance across all schools and the educational outcomes of all students, driving continuous school improvement and providing opportunities for students to develop capabilities to engage with Asia as outlined in Section 6.

We caution, however, against the implementation of a highly prescriptive and standardised strategies to implement the National Plan based on a 'one-size fits all' model which fails to take into account the needs and differences of individual school communities. It is our strong view that school and student improvement should not be driven solely by external regulation and accountability, but more importantly by the leadership within each school. This approach is the basis of the school improvement strategies that are being implemented by AISSA.

In relation to this strategy AISSA has implemented an extensive professional learning program focussed on embedding a continuous school improvement and an organisational change approach within school strategic planning. This program has been well received by Independent schools as it provides a range of tools and strategies which can be tailored to suit an individual school context. This overall strategy is consistent with a key element of the proposed National Plan to empower local schools.

The decentralised approach of Independent schools to governance and management demonstrates that a highly centralised and standardised integrated model of school education is not the most efficient or effective approach to delivering significant policy reform and improving education outcomes.

The autonomy of Independent schools and system authorities from centralised government bureaucracies is a fundamental strength of the Independent sector. It enables individual schools and school authorities to be responsive to government policy *and* the needs of their communities *and* to efficiently use all sources of funding. The AISSA will strongly oppose any attempts to further reduce the current level of autonomy that operates across the Independent sector.

There must be an opportunity for schools to be innovative in their approaches to school improvement and to select from a range of strategies to improve school leadership, teacher quality, student learning and school board governance. The Australian school system needs to be underpinned by innovation and diversity of approaches as well as an overall goal for improvement in school and student performance.

The decentralised governance and management approach across the Independent school sector places the responsibility for the implementation of school improvement in the significant majority of cases with the individual school governing authority and school management. The AISSA as an association of members will provide support services to Independent schools across South Australia, but cannot be held accountable for the implementation of the proposed National Plan. The Australian Government should have more extensive consultation with the Associations of Independent Schools to determine how they might support their members meet their obligations as outlined in the proposed National Plan.

The AISSA notes that significant detail in relation to the goal of greater engagement in Asia is contained in the *Australia in the Asian Century* White Paper. This Paper contains a range of admirable objectives including enhancing the opportunities for students to study Asian languages and to become more Asia literate. However, a number of structural barriers, including a lack of appropriately trained language teachers, and in-service professional development programs will inhibit the achievement of these goals unless Governments are prepared to commit additional resources in areas such as teacher training and in-service professional development.

Accountability and Compliance

The Independent school sector acknowledges the need for accountability for the receipt of government funding. However, it believes that compliance should be proportional and directly related to enhancing educational outcomes.

In recent years the breadth of accountability requirements has increased significantly for individual schools and their supporting agencies in recent years, despite the claims that governments at all levels continue to make statements about reduction of 'red tape'. The range of data collections across agencies is a good example of this trend. In addition the number of government departments and regulatory authorities collecting information from schools has also increased, often duplicating the collection of the same information.

All schools, government and non-government, are facing increasing levels of compliance for the receipt of government funds. For example the current *Schools Assistance Act 2008* contains a number of compliance requirements including the implementation of the Australian Curriculum, specifications regarding report card provision, reporting school performance information to school communities and reporting a range of information to government departments, including for use on the MySchool website. This level of detail is lacking in the Bill.

Both the Australian and State/Territory governments have indicated their focus on achieving improvement in educational outcomes. However, central administrators often assume this strategy requires greater accountability with process driven reporting and micro-management. Compliance requirements should be proportional and directly related to the improvement of educational outcomes. We challenge the assumption that greater regulation and compliance leads to on-going school improvement. Greater attention needs to be given to supporting schools to drive continuous improvement.

It is essential that the proposed National Plan does not create another increase in accountability reporting for schools and school authorities.

A review of current administrative accountability should be undertaken to determine what impact it is having on-going school improvement.

Concluding Comments

Throughout the review process the Australian Government indicated that it was seeking to establish funding arrangements based on the principles of transparency, fairness, financial sustainability and effectiveness in promoting excellent educational outcomes.

The consultation process which the government has undertaken so far fails on the principle of transparency. As noted above the AISSA is aware that the Office of Prime Minister and Cabinet is undertaking work to refine the proposed model and also that discussions are continuing to take place with State and Territory governments and some non-government education authorities on the funding model. Yet very little information has been provided to the key stakeholders, individual schools and parent communities.

The significant policy and political issues and the complexities associated with progressing negotiations demonstrate the proposed new arrangements are complex and lacking thorough analysis of the implications for individual school communities and the agencies that support them.

It is not clear why the Government has introduced a Bill which while ostensibly dealing with funding for schools provides such scant detail on this matter. It simply has added to the uncertainty for school communities and the lack of confidence in the management of the process and possible outcomes of this major funding review.

Yours faithfully,

Garry Le Duff
Chief Executive