

SUBMISSION NO. 3 AN
Inquiry into National Funding Agreements

Joint Committee of Public Accounts and Audit

Inquiry into National Funding Agreements

**Submission by
The Independent Schools Council of Australia (ISCA)**

INTRODUCTION

About ISCA

The Independent Schools Council of Australia (ISCA) is the peak national body covering the independent schools sector. It comprises the eight state and territory Associations of Independent Schools. Through these Associations, ISCA represents a sector with 1,090 schools and around 550,000 students, accounting for nearly 16 per cent of Australian school enrolments. ISCA's major role is to bring the unique needs of independent schools to the attention of the Commonwealth Government and to represent the sector on national issues.

Independent schools are a diverse group of non-government schools serving a range of different communities. Many independent schools provide a religious or values-based education. Others promote a particular educational philosophy or interpretation of mainstream education. Independent schools include:

- *Schools affiliated with larger and smaller Christian denominations for example, Anglican, Catholic, Greek Orthodox, Lutheran, Uniting Church, Seventh Day Adventist and Presbyterian schools*
- *Non-denominational Christian schools*
- *Islamic schools*
- *Jewish schools*
- *Montessori schools*
- *Rudolf Steiner schools*
- *Schools constituted under specific Acts of Parliament, such as grammar schools in some states*
- *Community schools*
- *Indigenous community schools*
- *Schools that specialise in meeting the needs of students with disabilities*
- *Schools that cater for students at severe educational risk due to a range of social/emotional/behavioural and other risk factors.*

A number of Catholic schools are not part of the Catholic system. These independent Catholic schools are a significant part of the independent sector, accounting for 10 per cent of the independent sector's enrolments. These schools have been included in the figures above.

KEY POINTS

- The independent sector supports the outcomes and targets outlined in the National Education Agreement (NEA).
- Non-government education authorities are obliged to achieve the NEA outcomes and targets but were not consulted in the development of the NEA. Non-government sectors are not included in the Australian education decision-making structures at either Ministerial or officials level despite educating more than one-third of Australian students.
- The appropriation of Commonwealth Government funding to government schools under the *Federal Financial Relations Act 2009* has reduced transparency around funding arrangements for government schools.
- Some models for implementing National Partnerships worked more effectively in the non-government schooling sector than others. Funding under the Building the Education Revolution National Partnership was provided directly by the Commonwealth to non-government education authorities. This enabled the BER to be implemented in the non-government sector quickly and efficiently, providing good value for money.
- The Smarter Schools National Partnerships model is not an effective model for implementing initiatives in the non-government sectors. The cumbersome and inefficient bureaucratic processes apparent in the implementation of the Smarter Schools National Partnerships meant that implementation has been neither fast nor efficient.
- It is ISCA's view that consideration should be given to modifying the Smarter Schools National Partnerships model to use a similar model to the BER.

SUMMARY

The reforms to Commonwealth-State funding arrangements announced by COAG on 29 November 2008, included the creation of a National Education Agreement (NEA) and changed the way Commonwealth Government funding to government schools is appropriated.

The NEA covers all schools within the relevant jurisdiction: government, Catholic and independent. The independent schools sector does not take issue with the outcomes and targets in the NEA but was not consulted in the development of the NEA despite being obliged to achieve its outcomes and targets. Neither are the non-government sectors (Catholic systemic and independent schools) included in the Australian education decision-making structures at either Ministerial or officials level despite educating more than one-third of Australian students.

Despite increased transparency being a stated outcome of the changes to Commonwealth-State funding arrangements, the result has been decreased transparency. Transparency around Commonwealth Government funding for government schools has been diminished reducing the scope for both parliamentary and public scrutiny. This lack of transparency has also seen a number of formerly discrete cross-sectoral programs being rolled into funding under the NEA and disappearing into funding appropriated under the *Federal Financial Relations Act 2009* with the result that many of the functions previously undertaken under these funding streams have now ceased.

The Smarter Schools National Partnerships model is not an effective model for implementing initiatives in the non-government sectors. The Smarter Schools National Partnerships did not make specific provision for the non-government sectors, requiring them to negotiate with state and territory education authorities for access to a share of the \$2.2 billion in available funds. Providing the non-government sectors with dedicated funding direct from the Commonwealth Government avoids the cumbersome and inefficient bureaucratic processes apparent in the implementation of the Smarter Schools National Partnerships and outlined in this Submission. Funding under the Building the Education Revolution National Partnership (BER) was provided directly by the Commonwealth to non-government education authorities which enabled the BER to be implemented in the non-government sectors quickly and efficiently, providing good value for money.

BACKGROUND

About the independent school sector

Independent schools are not-for-profit institutions that are set up and governed independently on an individual school basis. Independent schools are registered with the relevant state or territory education authority. Boards of governors or committees of management are the key decision-making bodies for most independent schools and are responsible for issues such as a school's educational provision, current and future development and staffing. Unlike other sectors, the majority of independent schools operate autonomously. These schools do not rely on central bureaucracies or bodies and are separately accountable to their parent and school communities.

Some schools with common aims, religious affiliations and/or educational philosophies also belong to systems within the sector. This means that some operational functions are carried out by the system on behalf of all schools within the system. Systemic schools account for 17 per cent of schools in the independent sector.

Many independent schools have been established by community groups seeking to meet particular needs. Examples include the independent community schools for indigenous students in remote areas, special schools for students with disabilities and boarding schools to educate children from rural and remote areas. There are also schools that seek to reflect the religious values of a particular community or that seek to practice an internationally recognised educational philosophy such as Rudolf Steiner or Montessori schools.

School enrolments and trends

The independent school sector is the fourth largest school education provider in Australia and at secondary level is the second largest provider of schooling services.¹

Enrolments in independent schools have grown steadily since the 1970s. According to Australian Bureau of Statistics (ABS) data, in 2010 independent schools accounted for 14 per cent of total student enrolments compared to 4 per cent in 1970². Full time enrolments have increased from around 114,000 in 1970 to over 491,000 in 2010.

Current Funding Arrangements

Australian school education is supported by three major funding partners – the Commonwealth Government, state and territory governments and the families of students.

All school students, whether they attend government, Catholic or independent schools, receive public support for their education from their state or territory government and the Commonwealth Government.

¹ ABS *Schools, Australia 2010* and *Non-Government School Census 2010* – independent sector figures include independent Catholic enrolments

² ABS data excludes independent Catholic enrolments

In the government school sector, the state or territory government that owns the schools contributes most of the funding. In the independent sector, most funding is contributed by parents.

Overall, the independent schools sector depends mainly on parents to fund schools, with 55 per cent of its income coming from private sources.³ This willingness and commitment to pay school fees saves governments an estimated \$3.6 billion per annum in recurrent schooling costs.⁴

Through fees and donations, parents and donors nationally provide 80 per cent of capital funding for independent school buildings, grounds and equipment (this figure excludes one off funding provided under the Building the Education Revolution).

In 2009, the Commonwealth Government and state and territory governments provided 45 per cent of all funding for independent schools, although this amount varies greatly from school to school.⁵ The Commonwealth Government is the major provider of public funding to independent schools, and currently has funding arrangements in place for non-government schools until 2014.

Students in government schools receive the most public funding, and the main source of this funding is the state or territory government that owns the school they attend. Students in non-government schools receive a lower level of public funding, and the main source of this support is the Commonwealth Government.

In 2008-09, total government operating recurrent expenditure on school education was \$38.9 billion. Total government recurrent expenditure on government schools was \$30.9 billion and \$8.1 billion on non-government schools. In 2008-09, the non-government sector received 21 per cent of government recurrent expenditure on schooling while the government sector received 79 per cent.⁶

Nationally in 2008-09, state and territory governments provided 88.8 per cent of total government recurrent expenditure on government schools and the Commonwealth Government provided 11.2 per cent. The Commonwealth Government provided 71.6 per cent of total government recurrent expenditure on non-government schools, with state and territory governments providing 28.4 per cent.⁷

Chart 1 below shows recurrent funding by sector broken down by source for 2008-09.

³ DEEWR Financial Questionnaire 2009

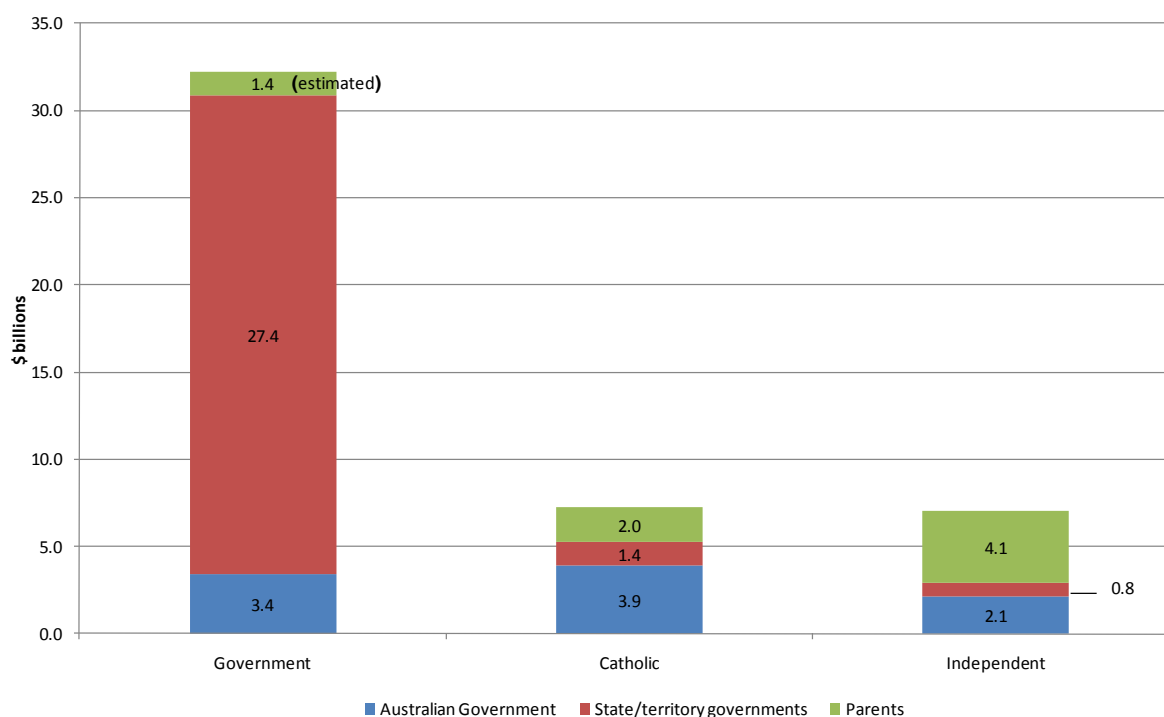
⁴ Based on figures derived from DEEWR Financial Questionnaire 2008 and 2009 and Productivity Commission *Report on Government Services 2011*

⁵ DEEWR Financial Questionnaire 2009

⁶ Productivity Commission *Report on Government Services 2011*

⁷ Productivity Commission *Report on Government Services 2011*

Chart 1: Recurrent funding by sector, 2008-09



Note: Independent and Catholic data from the DEEWR Financial Questionnaire does not fully reconcile with the Productivity Commission non-government sector data.

Source: Productivity Commission Report on Government Services 2011 and DEEWR Financial Questionnaire 2008 and 2009.

In 2008-09, combining both state and Commonwealth Government funding, public support for a student in a government school was on average \$13,544 – but for a student in an independent school it was as low as \$1,750. On average, total government funding for a non-government school student was \$6,850, while for an independent school student it was \$6,100 per year.⁸

Therefore, taking into account state and territory government and Commonwealth Government contributions to Australian school education, students in independent schools on average receive less than half the public support of students in government schools and many students get far less.

CHANGES TO COMMONWEALTH-STATE FUNDING ARRANGEMENTS

On 29 November 2008, COAG announced a series of significant reforms to Commonwealth-State funding arrangements through the Intergovernmental Agreement on Federal Financial Relations (IGA). The COAG Communiqué included details of new National Agreements under the IGA, including a National Education Agreement, which were “aimed at improving the quality and effectiveness of government services by reducing Commonwealth prescriptions on

⁸ Productivity Commission *Report on Government Services 2011* and independent sector estimates based on data derived from DEEWR Financial Questionnaire 2008 and 2009, SES funding tables and state funding data.

service delivery by the States, providing them with increased flexibility in the way they deliver services to the Australian people. In addition, it provides a clearer specification of roles and responsibilities of each level of government and an improved focus on accountability for better outcomes and better service delivery.”

Under the Intergovernmental Agreement on Federal Financial Relations, “the Commonwealth commits to the provision of on-going financial support for the States’ and Territories’ service delivery efforts through:

- (a) General revenue assistance, including the on-going provision of GST payments to be used by the States and Territories for any purpose;
- (b) National Specific Purpose Payments (SPPs) to be spent in the key service delivery sectors; and
- (c) National Partnership payments to support the delivery of specified outputs or projects, to facilitate reforms or to reward those jurisdictions that deliver on nationally significant reforms.”⁹

The Intergovernmental Agreement further states that “National SPPs may be associated with National Agreements, but there is no provision for National SPPs to be withheld in the case of a jurisdiction not meeting a performance benchmark specified in a National Agreement”.

The National Education Agreement (NEA)

The NEA clearly defines Commonwealth and state and territory roles and responsibilities and articulates agreed objectives and outcomes together with performance benchmarks and indicators to accompany objectives and reform directions for the government school sector.

According to the COAG communiqué of 29 November 2008, regarding the NEA “This funding ensures that the States can allocate resources more flexibly, while providing a set of definitive and measurable targets to provide the basis for accountability by governments to the community. The National Agreement will contribute to the following outcomes:

- all children are engaged in, and benefiting from, schooling;
- young people are meeting basic literacy and numeracy standards, and overall levels of literacy and numeracy achievement are improving;
- Australian students excel by international standards;
- schooling promotes social inclusion and reduces the education disadvantage of children, especially Indigenous children; and
- young people make as successful transition from school to work and further study.

⁹ Intergovernmental Agreement on Federal Financial Relations December 2008

COAG agreed that the NEA is critical to achieving the targets set by them, to lift the Year 12 or equivalent attainment rate to 90 per cent by 2020, to halve the gap for Indigenous students in reading, writing and numeracy within a decade, and to at least halve the gap for Indigenous students in Year 12 or equivalent attainment by 2020.

The NEA and Government School Funding

The NEA incorporates what had previously been known as Specific Purpose Payments for General Recurrent Grants, Capital Grants and Targeted Programs for government schools. It also incorporated funding for a number of discrete Commonwealth schools programs as well as a number of Indigenous education programs previously implemented under the Indigenous Education (Targeted Assistance) Act 2000.

From 2009, Commonwealth Government funding for government schools is now appropriated under the *Federal Financial Relations Act 2009*. Commonwealth Government funding for government schools no longer makes separate provision for recurrent, capital, targeted and indigenous funding but is provided as a single figure amount known as the government schools component of the National Schools Specific Purpose Payment. This single payment removes the requirement for state and territory education authorities to allocate funds according to separate programs as previously determined by the Commonwealth Government.

Commonwealth Government funding arrangements for non-government schools

The Commonwealth Government provides funding for non-government schools including independent schools under the *Schools Assistance Act 2008*. Unlike the arrangements now in place for government schools, this legislation continues to specify funding for Recurrent, Capital, Targeted and Indigenous Grants to non-government schools as well as setting out the range of school performance, acquittal, reporting and accountability requirements schools must agree to in order to meet their funding obligations.

The Commonwealth Government enters into funding agreements under this legislation with individual independent schools (or independent systems where applicable) and Catholic systemic authorities for Catholic systemic schools.

Prior to 2009, Commonwealth Government funding for all schools, government and non-government was appropriated under specific schools assistance legislation and the Commonwealth Government entered into funding agreements with state and territory governments under this legislation.

At their 29 November 2008 meeting, COAG finalised the new National Education Agreement together with new National Partnerships on teacher quality, improving disadvantaged schools and literacy and numeracy. This submission will comment on the operation of these National Agreements since 2009 and their impact on the independent school sector.

National Partnerships

National Partnership funding is provided in addition to the NEA funding and is in the form of an agreement between the Commonwealth Government and each individual state and territory government. For the Smarter School National Partnerships, there was no separate or specific provision made for non-government schools. The information provided by the Government at the announcement of the National Partnerships was that the non-government school sector would be invited to participate in the National Partnerships and states and territories would work with school and system authorities to determine funding arrangements through bilateral agreements.

In the Smarter Schools National Partnership for Low Socio-economic Status School Communities, the Commonwealth Government provides funding to support education reform activities in approximately 1,700 low socio-economic status schools around the country. The Smarter Schools National Partnership for Literacy and Numeracy provides funding to facilitate and reward the implementation of evidence based strategies that improve student literacy and numeracy skills. The Smarter Schools National Partnership for Improving Teacher Quality provides funding to improve the quality of the Australian teaching workforce. Funding available under the three Smarter School National Partnerships totals over \$2.2 billion.

Not all the Commonwealth Government's National Partnerships for school education have followed the Smarter Schools National Partnerships model. A number of other National Partnerships provided separate allocations directly to the non-government education authorities.

Building the Education Revolution

Substantial investment in capital infrastructure across all schooling sectors was provided through the Commonwealth Government's Building the Education Revolution (BER) program, in particular, through the Primary Schools for the 21st Century element (P21).

While the BER was delivered as a National Partnership, unlike the Smarter Schools National Partnerships, each education sector in each state and territory was allocated by the Commonwealth Government a proportion of BER funding based on their enrolments. This meant that the Block Grant Authority in each state and territory was responsible for administering the funding allocated by the Commonwealth Government to schools in their jurisdiction. There was no requirement under the BER National Partnership for the independent sector to engage in negotiations with their state and territory education authorities for access to funding. The decision by the Commonwealth Government to provide a separate allocation for independent schools and utilise independent sector BGAs for administration has been instrumental in the successful implementation of the program for the sector.

Digital Education Revolution

The key component of the Digital Education Revolution for independent schools is the National Secondary School Computer Fund which provides funding for new information and communication technology equipment for all secondary schools with students in years 9 to 12. Like the BER, funding for the independent schools sector was provided directly to the sector.

Trade Training Centres

The Trade Training Centres in Schools Program aims to provide secondary students access to vocational education through Trade Training Centres and has also been delivered as a National Partnership. This National Partnership model allows independent schools to either apply for funding as part of a consortium or for funding at the individual school level.

NATIONAL AGREEMENTS - ISSUES FOR THE INDEPENDENT SCHOOL SECTOR

The Committee's Terms of Reference resolve to review and report on the operation of funding agreements between the Commonwealth and State and Territory Governments, including the National Agreements entered into under the IGA. As outlined above, two elements of the IGA, the NEA and the Smarter Schools National Partnerships, have significantly altered the environment of school funding and accountability in Australia.

The independent schools sector would like to provide the Committee with an insight into the impact on the non-government schooling sector and independent schools specifically, from the changes under the Intergovernmental Agreement on Federal Financial Relations.

National Education Agreement – governance structures

The NEA, while representing an agreement between the Commonwealth of Australia and the individual states and territories, covers all schools within the relevant jurisdiction; government, Catholic and independent. Independent school approved authorities, through their funding agreement with the Commonwealth Government, are required to agree to support the outcomes and targets set out in the NEA. The independent schools sector does not take issue with agreeing to the outcomes of the NEA but is concerned that the non-government sectors are effectively locked out of the decision-making structures in Australian education, including deliberations regarding the NEA.

The non-government sectors are not represented on the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) nor has access to MCEECDYA papers. Likewise the relevant senior education officials' committee, Australian Education, Early Childhood Development and Youth Affairs Senior Official Committee (AEEYSOC) does not have non-government school representation, nor do the non-government sectors have access to papers.

Despite being a major stakeholder in Australian education, educating more than 30 per cent of Australian school students, the non-government sectors were not consulted in the development of the NEA even though non-government schools are obliged to achieve its outcomes and targets.

The lack of consultation with the non-government sectors regarding the NEA is an ongoing issue. For example a key reform direction under the NEA is to review funding and regulation across government and non-government schooling sectors. The aim of the review is to "ensure that (a) regulation and oversight of schools best support the achievement of agreed outcomes;

and (b) through funding and registration mechanisms, all schools and systems are accountable for participating in and complying with national reporting requirements¹⁰.

MCEECDYA has agreed to undertake this process to realise the National Education Agreement commitment to review funding and regulation across government and non-government schooling sectors. This review is known as the MCEECDYA Process and is being overseen by the MCEECDYA Process Governance Group (MPGG) which has been formed under the National Goals Working Group. Whilst the non-government sectors are represented on the National Goals Working Group, the MPGG includes representatives from all jurisdictions and ACARA but does not include non-government representation.

ISCA believes the structure of the current NEA which takes no account of the major Catholic and independent non-government education providers is not appropriate or effective. All providers of school education in Australia should be party to decisions which effect the operations and outcomes of their schools. Further, excluding major stakeholders from the decision-making process means that decisions are often made without considering the particular implementation arrangements for non-government schools, particularly independent schools. For example, implementing a program or policy in a highly centralised government school bureaucracy is significantly different to implementing a program or policy in the 1,100 autonomously operated independent schools.

National Education Agreement – lack of transparency

As outlined in the COAG Communiqué, a key feature of these reforms to Commonwealth-state funding arrangements was intended to be increased transparency. However, with Commonwealth Government funding for government schools no longer appropriated through the *Schools Assistance Act 2008* but rather under the *Federal Financial Relations Act 2009*, transparency around Commonwealth school funding has in fact, greatly diminished. It is now virtually impossible to find a state/territory breakdown of Commonwealth funding for government schools in any publicly available document. Funding to non-government schools appropriated under the Schools Assistance legislation is extensively reported, including through the *Schools Assistance Act 2008 – Report on Financial Assistance Granted to Each State in Respect of 2009* (the Green Report). This report details the financial assistance granted to non-government schools and authorities, providing a breakdown by state and sector of expenditure from funds appropriated under the Act. Prior to 2009, this Report also included detailed information on Commonwealth funding to government schools. This level of public information and transparency is no longer available.

State and territory budget papers add to the complexity with little consistency across jurisdictions in how Commonwealth schools funding is presented. Sources of schools funding are difficult to identify or track and there is a lack of clarity as to whether financial information includes Commonwealth financial contributions or not.

¹⁰ COAG NEA

The outcome is a lack of transparency in relation to the level of Commonwealth assistance to states and territories for government schools. This lack of transparency means there is no scope for either parliamentary or public scrutiny regarding these significant Commonwealth outlays to government schools. This is in contrast to the high level of parliamentary and public scrutiny available for funding to non-government schools provided through the Green Report¹¹.

National Education Agreement – loss of access to funds for non-government schools

As outlined above, as well as General Recurrent, Capital, Targeted and Indigenous Grants for government schools, the NEA incorporated a number of discrete Commonwealth schools programs. These programs were previously appropriated as annual appropriations and were cross-sectoral in nature. That is, they were not just for government schools but were available to government, Catholic and independent schools. These programs included the Values Education Program, the National School Drug Education Strategy and the Projects to Enhance Literacy and Numeracy Outcomes.

Despite being rolled into the NEA, advice from the Department of Education, Employment and Workplace Relations was that these programs would continue to be cross-sectoral in nature and non-government education authorities should liaise with their state and territory counterparts to access these funds. In reality however, the untying of Commonwealth funds meant that it was extremely difficult to track these smaller programs within the broader operations of state and territory finances. There was a high level of misunderstanding among state education authorities regarding what had been rolled into the NEA funding and difficulty within authorities in tracking funding for initiatives that were previously funded as discrete Commonwealth programs. The majority of state and territory education authorities appeared unaware that these funds were included in their Commonwealth school appropriations.

With the introduction of the NEA in 2009, there followed several months of unseemly finger pointing between Commonwealth and state and territory departments of education regarding the whereabouts of these programs and where responsibility lay. The eight state and territory Associations of Independent Schools have received a range of advice regarding these programs from education authorities including: that these programs have been discontinued; the NEA is only for government school initiatives; states have changed the priorities for the funding; or to contact DEEWR to access their funding.

The consequence of this aspect of the operation of the NEA is that many of the functions previously undertaken under these funding streams, including a number of effective cross-sectoral initiatives ceased. It is most unfortunate that the achievements, networks and goodwill developed over time in relation to these programs have disappeared due to these high level policy changes.

These problems with identifying amalgamated funding experienced under the NEA were also experienced under the National Agreement for Skills and Workforce Development (NASWD). The NASWD sought to increase the skill levels of all Australians, including Indigenous

¹¹ Schools Assistance Act 2008 – Report on financial assistance granted to each state in respect of 2009.

Australians. Difficulties were experienced by non-government education authorities in some states and territories in identifying the amount of Vocational Education and Training (VET-in-Schools) funding rolled into the NASWD and as a consequence, schools in Tasmania had VET-in-Schools funding reduced by 30 per cent.

National Partnerships

As outlined above, school education National Partnerships were delivered under different models. The Smarter Schools National Partnerships did not make specific provision for the non-government sectors, requiring them to negotiate with state and territory education authorities for access to a share of the \$2.2 billion in available funds. In stark contrast, the National Partnership model for the BER, allocated funding by state by sector directly to non-government school providers allowing them to implement the BER initiative immediately.

The independent schools sector considers that the Smarter Schools National Partnership model is not an appropriate model for delivering funding to schooling in the Australian education environment. The effectiveness and efficiency of the Commonwealth having a direct funding relationship with non-government schools authorities has been acknowledged through longstanding funding arrangements.

Funding under the BER National Partnership was provided directly by the Commonwealth to non-government education authorities. This enabled the BER to be implemented in the non-government sectors quickly and efficiently. As a goal of the BER was economic stimulus, fast implementation was critical to achieving its goal. The Commonwealth, in implementing the BER, recognised that providing funding directly to the non-government sectors was the only way to guarantee fast and efficient implementation. This decision by the Commonwealth to provide the non-government sectors with BER funding directly has been vindicated through the many reports into the implementation of the initiative.

In the independent sector, the Block Grant Authorities (which administer Commonwealth Government Capital Grants in the independent sector) have an established relationship with independent schools and experience in delivering Australian Government capital programs. The independent sector is not constrained by the bureaucratic processes of the large education systems and has the capacity and flexibility to respond to issues as they emerge. Because of the nature of independent schools and the requirement for funding capital infrastructure through privately raised funds, independent schools must invest in careful, long-term planning for their capital investment. Efficiency is driven by the scarcity of funds and the need to justify expenditure of privately generated funds to the school communities who have worked hard to raise them.

The efficiency of the independent sector in delivering capital infrastructure has been clearly demonstrated through the Building the Education Revolution initiative. Average project costs per square metre for halls, classrooms and libraries were for the government sector \$2,482, for

the Catholic sector \$2,468 and for the independent sector \$2,057 based on regionally adjusted figures¹².

The BER Implementation Taskforce First Report also reports on complaints under the BER initiative by jurisdiction. The number of complaints in the independent sector were insignificant, also a reflection of efficiency of the sector and the benefits of the established relationships.

The decision by the Australian Government to provide a separate allocation for independent schools and to utilise independent sector BGAs for administration has been instrumental in the successful implementation of the program for the sector.

In contrast, the model for the Smarter Schools National Partnership has been neither fast nor efficient. The significant issues with the model are:

- The additional overlay of both Federal and State bureaucracy required to implement the Partnerships has produced significant additional costs to state and territory Associations of Independent Schools (AISs) in terms of time, funding and delays to implementation;
- The majority of AISs reported that they had little or no opportunity to influence the strategies developed under the Partnerships as these had been predetermined prior to consultation with the sector, often resulting in initiatives that did not recognise the needs or context of independent schools and were consequently not readily transferrable to independent schools. In those jurisdictions where consultation was inclusive of the independent sector, the time taken to arrive at a common direction and the bureaucratic processes involved in getting sign off was in most cases a highly inefficient process and significantly delayed the impact of reforms on schools and students;
- The bureaucratic structure of the implementation has meant that progress has been slow with most AISs reporting that they had still not received any National Partnership funding more than a year into the process, agreements were not finalised and nothing had actually happened in schools. A common response was hundreds of hours had been spent in consultation with little influence on strategies, impact on planning processes or any changes in schools; and
- The identification of schools and the allocation of funding under the Partnerships was frequently inconsistent, inequitable and lacking justification in terms of the funding provided to independent schools. The allocation of reward payments is also identified as an issue. Concern was expressed regarding the requirements for co-investment being inappropriate for independent schools, particularly those schools most disadvantaged.
- The relentless level of bureaucracy and time-consuming negotiations continue two and a half years into the National Partnership process both at the national and state/territory level. At the national level, the National Partnership Implementation Working Group is still considering issues such as reward frameworks, while at the state and territory level

¹² Building the Education Revolution Implementation Taskforce – First Report – 15 December 2010

the bureaucratic demands of operationalising the various partnerships continues to be a significant and ongoing burden for AISs.

It is ISCA's view that serious consideration should be given to modifying the Smarter Schools National Partnerships model in future to use a similar model to the BER. A major benefit of this approach would be to avoid the cumbersome bureaucratic processes used by most state governments and deliver outcomes to schools promptly. These processes are also costly and independent schools would prefer to maximise expenditure on initiatives in schools and minimise the administrative costs.

The independent schools sector has continued to raise with the Commonwealth Government the inappropriateness of the Smarter Schools National Partnership model for non-government schools.

CONCLUSION

ISCA welcomes the opportunity to make this Submission to the Joint Committee of Public Accounts and Audit Inquiry into National Funding Agreements.

The independent sector makes up a significant and increasing proportion of schools and enrolments in Australia with around 1,090 schools and 555,000 students in 2010.¹³ Together with Catholic systemic schools, the non-government sectors educate more than a third of Australian school students.

This Submission sets out the key issues for independent schools which have emerged from the significant changes to Commonwealth-state funding arrangements through the Intergovernmental Agreement on Federal Financial Relations, in particular the National Education Agreement and the Smarter Schools National Partnerships.

ISCA appreciates the Committee's consideration of these issues.

¹³ DEEWR Non-Government School Census 2010 - includes independent Catholic school enrolments

This submission has been prepared by the Independent Schools Council of Australia (ISCA) on behalf of our member associations:

Association of Independent Schools of the ACT Inc.

The Association of Independent Schools of New South Wales Ltd.

Association of Independent Schools of the Northern Territory Inc.

Independent Schools Queensland

Association of Independent Schools of South Australia

Independent Schools Tasmania

Independent Schools Victoria.

Association of Independent Schools of Western Australia Inc.

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Canberra
8 April 2011