

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into Commonwealth funding for schools

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A I S S A



ASSOCIATION *of*
INDEPENDENT
SCHOOLS *of* SA

25 June 2004

The Secretary,
Senate Employment, Workplace Relations
and Education References Committee
Suite SG.52, Parliament House
CANBERRA ACT 2600

Dear Sir

Inquiry into Commonwealth Funding for Schools

Please find attached the Association of Independent Schools of South Australia's submission to the Senate Employment, Workplace Relations and Education References Committee Inquiry into Commonwealth funding for schools.

The Association of Independent Schools of South Australia (AISSA) supports the position outlined in the submission presented to the Inquiry by the Independent Schools Council of Australia (ISCA). The AISSA Board has also prepared a separate submission which outlines the issues within the context in South Australia, in particular, the socio-economic profile of school communities in this State and access to support services through the State Government.

Please do not hesitate to contact me on Ph: 08 8179 1402 or Email: leduffg@ais.sa.edu.au if you wish to discuss this response.

Yours sincerely

A handwritten signature in black ink, which appears to read 'Garry Le Duff'.

Garry Le Duff
Executive Director

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EXECUTIVE SUMMARY

The Association of Independent Schools of South Australia (AISSA) represents the interests of 93 Independent Schools in South Australia. The AISSA welcomes the opportunity to make a submission to this Inquiry.

Non-government schools (Catholic and Independent) now educate a significant proportion of Australian school students and are an integral component of the Australian school sector. Non-government schools cater for a wide section of society and make a positive contribution to the social and economic well being of the community and the nation.

Independent schools are committed to achieving the National Goals for Schooling in the Twenty-First Century. Independent schools, and school systems within the Independent school sector, are required to adhere to the National Goals as a part of the signing of their Resource Agreements with the Australian Government. Further, as a result of an initiative of the AISSA, the school registration process for non-government schools in South Australia includes an evaluation of the school's educational program and policies against the National Goals.

The AISSA believes it is essential that Australia has a well-resourced government and non-government education system, which enables it to meet not only the National Goals for Schooling but also the current and future needs of students and the wider community as they arise. The AISSA welcomes the announcements by both major parties of policies and initiatives which cover most key aspects of National Goals framework.

The AISSA considers that in order to maintain a well-resourced education system, government funding arrangements for schools, across government and non-government school sectors, should be underpinned by the principles of: entitlement, need and efficient and effective accountability.¹

All Australian students are entitled to a level of government funding to support their education needs regardless of their background or the school sector they attend. Parents of non-government and government students contribute to government funds for education through the taxation system. Parents of non-government school students also contribute a significant amount of their after-tax income to the education of their children. In many cases non-government school parents are making considerable sacrifices to make this contribution. AISSA recognises that parents who choose non-government schools for their children also contribute financially to the costs of educating their children.

The support of the principle that all Australian students are entitled to a level of public funding is a recognition that funding support for all Australian students, regardless of background or school sector attended, is an investment in Australia's future.

¹ This position is articulated in the AISSA 'Charter for Public Funding of Independent Schools', which is endorsed by the AISSA board.

All Australian Students are entitled to government funding to support their educational needs

Parents have the right to choose the school that best meets the needs of their child.

Parents have a right to choose the school, government or non-government, which best meets the needs of their child. Government funding policies should not punish parents who choose to spend their after-tax income on educating their children in a non-government school. Nor should funding policies punish schools, government or non-government, for raising additional capital to enhance the education outcomes of their students.

Government policies on funding school education should also recognise that some students have different educational needs and require additional resources to ensure they receive an equitable outcome. For example, the move toward educating students with disabilities in a non-specialised setting, while providing significant benefits to school communities, is also increasing the resource demands placed on schools. Students from lower socio-economic backgrounds, and in particular students from Indigenous backgrounds, also in some cases require additional resources to counter some of the negative effects of the structural inequities they face.

Government funding should recognise some students have additional education needs.

However, support for these students should not come at the cost of other students. **Rather, Commonwealth and State/ Territory Governments should increase the overall investment of government resources in education.** The AISSA considers that the additional funding support for these students should follow the student regardless of the school or school sector they attend.

Schools are now one of the last stable institutions within communities (Power 2000), a situation which has led to increased demands being placed on schools and teachers in a number of areas, including providing support to school families undergoing crises. Schools, government and non-government, have of course always provided pastoral care; however, whereas in the past families could turn to a social network for support these networks are in many instances no longer available. In some cases this re-defining has had an adverse effect on the status of schools, with schools increasingly blamed for, or held responsible for solving, wider societal problems. The wider social context in which schools operate and in which school families live is ignored in this situation.

South Australian Independent schools are highly accountable – to parents, governments, regulatory authorities, the community and most importantly to students. The direct accountability to parents is a key strength of the Independent school sector. This Inquiry should distinguish between accountability and over-administration. It is essential that Government funding for government and non-government school sectors be based on **efficient and effective** accountability measures which focus on improving the educational outcomes for all Australian students.

The AISSA challenges the perception that complex and detailed reporting makes a school accountable. It is unclear how this improves educational outcomes. Currently, ever-expanding administrative regimes related to accountability are turning educators into administrators, a situation ultimately detrimental to Australian school students as it takes teachers away from their key role of educating students. Schools are also being subject to constant legislative and policy change, such as curriculum initiatives, industrial

legislation and in the area of Occupational Health Safety and Welfare with little acknowledgement of the resource implications.

Accountability arrangements should be evaluated to ensure they improve the educational outcomes of students and the effective use of government funds.

The AISSA considers that there needs to be a more coherent approach to accountability and legislative measures, particularly in the area of curriculum. We need to move toward a model of accountability which is preceded by the questions 'How will this form of accountability improve the educational outcomes of students?' and 'How will this improve the effectiveness of the use of government funds?' **In effect their needs to be more accountability of the accountability regimes.**

The AISSA considers that there should be one model for the funding of non-government schools, which meets the needs of both systemic and non-systemic schools. The current SES model on which this Inquiry is based was developed after extensive consultation and is a significant improvement on the previous ERI model. SES encompasses an entitlement and needs based component and the model provides the most appropriate base for the future funding of non-government schools and improvements in the formula.

The AISSA welcomes the statement (22 June 2004) by the Federal Australian Labor Party that it will pass the Australian Government's schools funding legislation and, hence, provide some short-term certainty for both government and non-government schools. The continued instability and uncertainty over funding arrangements beyond twelve months is not conducive to the longer term planning necessary for schools to meet the needs of all students. However, any changes to the funding arrangements from 2006 would not give schools negatively affected an adequate time to prepare.

AISSA advises schools to prepare long-term strategic and business plans. Feedback from member schools indicates that they are working up to 5 years ahead with budgets in order to meet the needs of students and achieve the National Goals. Moreover, due to the limited access to State government funds, most Independent schools are very dependent on Australian Government funding. The AISSA considers that there should be no changes to **recurrent** funding arrangements before the end of the 2005-08 quadrennium.

The AISSA recognises that there is a wide variance in opinion on the issue of Funding Maintenance. It needs to be noted that a number of Funding Maintained schools are in areas of growth and have committed significant capital to address this growth. The AISSA considers that there should be no change to the arrangements for Funding Maintained schools at the very least before the end of the 2005-08 quadrennium. A change to the Funding Maintenance status of some schools would lead them to face severe financial difficulties.

Moreover, if any changes are made to funding arrangements beyond the 2005-2008 Quadrennium, they should be signalled well in advance and allow for a significant transition period

The AISSA is concerned by both the timing of the Inquiry and the short time frame in which the Inquiry is required to report to Parliament. This will not

allow for an appropriate consideration of all the issues or the complexity of current funding arrangements.

The AISSA notes public statements which suggest that some members of the Committee appear to have made up their minds about aspects of the Inquiry before giving due consideration to the arguments outlined in the submissions. We would be disappointed if indeed this was the case. We would have little confidence on outcomes based on ideology. Schools, parents and most importantly students, both government and non-government, deserve more from their elected representatives. The Association trusts that all members of the Committee will consider the merits of the argument, and not the ideologies that may significantly influence their views.

The AISSA does not consider the present politicising of the school funding debate, in which this Inquiry is taking place, to be useful. As Mark Latham (2004) has pointed out

'when our children go to school – with a love of reading and the ability to recognise numbers – their schools must be high-achieving schools. It doesn't matter whether they are government or non-government schools. That's a tired, old debate. I want quality and opportunity for all our students (emphasis added).'

The negative debate about non-government schools continues to be based most prominently on ideological grounds and a historical perception of non-government schools which does not reflect the diversity of Independent schooling in 2004.

The AISSA does not accept that non-government schools are to blame for the declining enrolments or problems in government schools. State governments need to accept their responsibility for students in State government owned and run schools.

Non-government schools:

- provide excellence in education
- provide diversity in education
- contribute to the provision of education across the Australia
- contribute to a healthy democracy in Australia and to the public good of their communities,
- build social capital in local communities despite efforts by some anti non-government school lobby groups to isolate these communities
- cooperate at local level with government schools.

Indeed, there is substantial evidence to suggest that these are the very reasons parents are choosing non-government schooling.

It is disappointing also that the negative political focus continues to be on the higher fee schools. This focus operates as a further distraction from the real issues and essentially limits the opportunity for productive debate to occur on the issue of school funding. The AISSA would welcome a future inquiry on government funding arrangements for schools to be conducted by an

independent body and outside of the emotive context of the upcoming Federal election.

The AISSA welcomes the comment by Jenny Macklin, Shadow Minister for Employment, Education, and Training, that the pitting of one school sector against the other is 'very destructive' (quoted in *The Canberra Times* 22/05/04). It needs to be noted that the debate essentially pits also teacher against teacher, parent against parent, and student against student. It is a focus on difference and division. The AISSA fails to see how the demonizing of non-government schools, non-government school teachers and non-government school students is of benefit to ensuring that schools in Australia achieve the National Goals. The AISSA calls on the Senate Inquiry to condemn the divisive nature of the current debate on education.

The Inquiry should acknowledge the role of Commonwealth and State Governments and parents in the funding of Australian schools.

The complexity of government funding arrangements necessitates that this Inquiry encompass the dual role of the Australian Government and State/ Territory governments in the funding of schools. Non-government schools receive the majority of government funds from Commonwealth sources, with State/ Territory governments making a minimal contribution to the education of non-government students. State/ Territory governments are the major providers of government funds for government schools. Hence, a focus on one funding source will provide a misleading picture of the current situation. Moreover, given that the Australian Government also contributes GST revenue to State income it is difficult to separate with any accuracy the total amount that the Australian Government invests in education. The Inquiry should also recognise the significant contributions that parents make across the government and non-government school sectors.

All non-government students receive less government funds per student than their government counterparts.

Non-government schools receive significantly less total government funding than that allocated to support government schools. For example, the latest Productivity Commission *Report on Government Services 2004* indicates that when Commonwealth and State/ Territory school funding figures are combined, government expenditure in South Australia on school education is \$8413 per government student and \$4671 per non-government student.

Non-government students, hence, make less of a demand on government resources for education. The needs based component of current government funding arrangements (Commonwealth and State) means that South Australian Independent schools serving higher socio-economic areas receive significantly less government funding than either Independent schools serving lower socio-economic areas or government schools and, consequently, make even less of a demand on government resources.

The AISSA believes that Commonwealth and State/ Territory governments should increase their total investment in the education sector to support school communities across the government and non-government sectors and to meet the changing needs of Australian school communities.

Commonwealth and State/ Territory governments should increase their investment in education.

The latest OECD figures indicate that public expenditure on primary, secondary and post-secondary non-tertiary education equates to just 3.7% of Australia's GDP in school year education compared to countries such as Sweden and New Zealand who respectively invest 4.4% and 4.6% of GDP.

Hence, it is entirely possible to increase overall investment and give education the priority it deserves. Government investment in education is of long-term benefit to Australia's future.

A FUTURE FRAMEWORK FOR THE FUNDING OF SCHOOLS

The AISSA considers that the Senate Inquiry should condemn the divisive nature of the current debate on education funding for Australian schools and recognise the high- quality contribution of non-government and government schools to Australia's future and the building of local communities.

The AISSA recommends that the Senate Inquiry articulate a Framework for the future funding arrangements for Australian schools based on the following.

- The right of all Australian students to a level of funding to support their education needs, regardless of their background or the school sector they attend.
- The right of some students to higher levels of funding to support their additional educational needs.
- The continuing of additional targeted Commonwealth funding to support the achieving of the National Goals for Schooling.
- An increase in total investment in education from the Australian Government and State/ Territory governments to meet the changing needs of schools and school students.
- A targeting of this increased investment to meet the needs of identified groups of students.
- State governments to be more inclusive of the needs of non-government school students in initiatives designed to improve educational outcomes, particularly for disadvantaged students.
- Increased investment in pre-school education.
- Additional government funding for students with disabilities to follow the student regardless of the sector they attend.
- Equitable access to a range of transitional pathways and support services to meet the long-term needs of students with severe physical and intellectual disabilities.
- Access to State and Australian Government VET in Schools funds.
- Funding for VET in Schools to match to the expansion of VET in Schools programs.
- A more integrated approach to the number of Indigenous programmes to reduce and rationalise the degree of reporting and accountability required of school education authorities. This should include utilising nationally collected data such as the literacy and numeracy benchmarks in Years 3, 5 and 7.

- An alternative scheme such as the “cluster” TOPS model be available, so that the school education authority can apply for ITAS on behalf of its schools so that a total enrolment of 20+ Indigenous students can be achieved.
- Access to broadband infrastructure to be provided on an equitable cost basis for all schools in order to provide stable and reliable internet access
- Access to government funding to support the ICT educational needs of Independent students.
- Funding for teacher development in the area of ICT to be included future Quality Teacher Programs to maximize the potential for e-learning in schools
- The Australian Government maintain a commitment to the allocation of capital funding for Independent schools in SA and that this total be increased to reflect the growth in the sector which is occurring in lower to middle income communities.
- One funding model for all non-government schools that meets the needs of systemic and non-systemic schools.
- No change to the recurrent funding for the 2005-08 funding quadrennium. If any changes are made to funding arrangements after the 2005-2008 quadrennium they should be signalled well in advance and allow for a significant transition period
- Accountability processes that do not place unnecessary administrative burdens on Australian schools and are continually evaluated to ensure that they lead to improvements in the educational outcomes of Australian students.

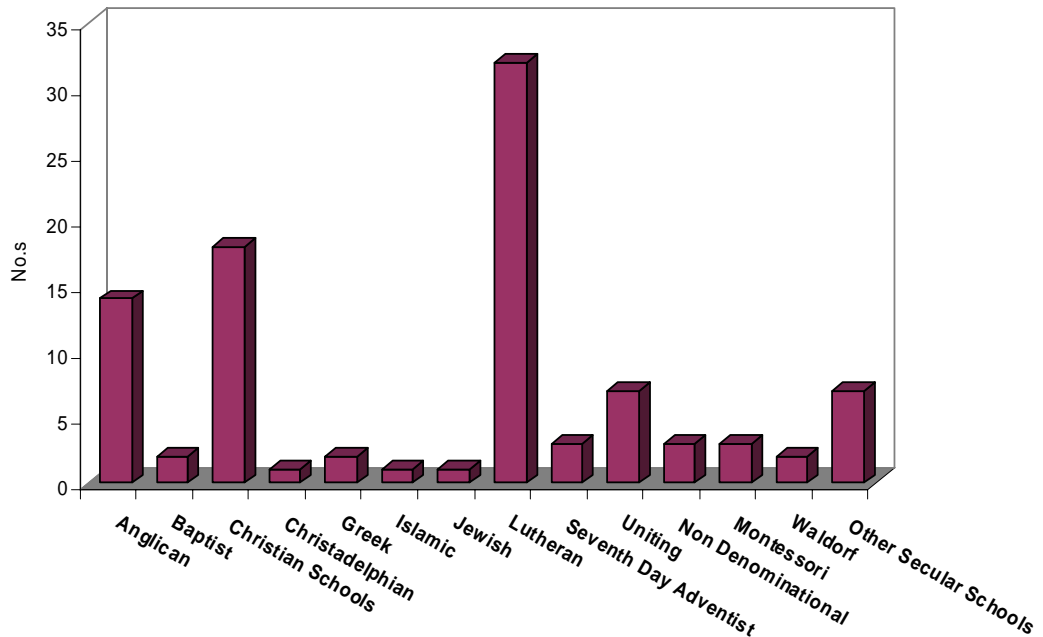
1.0 INTRODUCTION

1.1. About the Sector

The Association of Independent Schools of South Australia represents the interests of 93 Independent schools in South Australia, with an enrolment in excess of 36,000 students. The AISSA is a member of the Independent Schools Council of Australia and supports the position outlined in their submission.

Independent schools across Australia educate students within a curriculum underpinned by a wide range of religious faiths (for example Anglican, Baptist, Christadelphian, Christian, Greek Orthodox, Islamic, Jewish, Lutheran, Seventh Day Adventist, Uniting, non-denominational) or educational philosophies (for example Montessori, Waldorf Steiner). The Independent school sector also contains a number of other schools of a secular philosophy and schools which offer education to students with severe disabilities within a specialised setting. A number of Independent schools are also members of a system, for example, the Lutheran Schools Association and Adventist Schools Australia.

Numbers of South Australian Independent schools by religious faith and educational philosophy (2004)



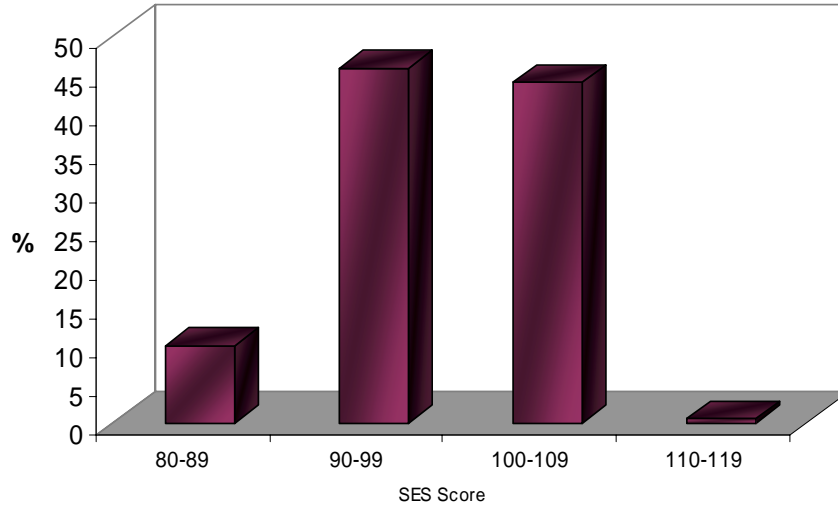
Independent schools that receive government funds are 'not for profit' organizations and school income is directed back into the school to improve the education outcomes for students. A key element underpinning Independent schools is the ethos of providing care and support to all students.

Non-government schools (Independent and Catholic) in South Australia now educate a significant proportion of students in the State. The South Australian Independent school sector, and Independent schools nationally, have experienced a significant growth in enrolments since 1994.

The largest enrolment growth is occurring in areas characterised by low socio-economic conditions (ISCA 2003).

South Australian Enrolment Growth 2002 by SES Score

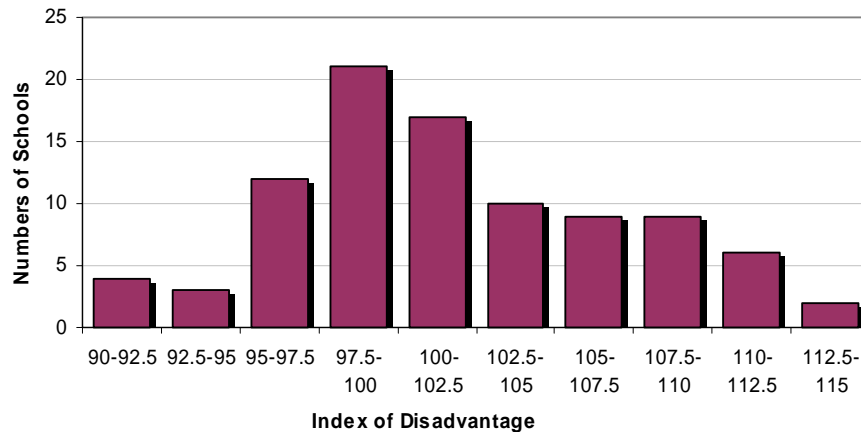
(Source ISCA 2003)



More parents, especially from middle and lower incomes, are making the choice to send their children to Independent schools. Students from lower socio-economic backgrounds, it needs to be noted, attract a higher level of government funding, hence, contributing to the overall growth in government funding to the Independent school sector.

The South Australian Independent school sector also educates students with a wide range of needs including students with disabilities, students with learning needs and students from an Indigenous background. A comparison of the numbers of South Australian Independent schools by the South Australian State Government Index of Disadvantage scale illustrates the diversity of needs in the South Australian Independent schools sector.

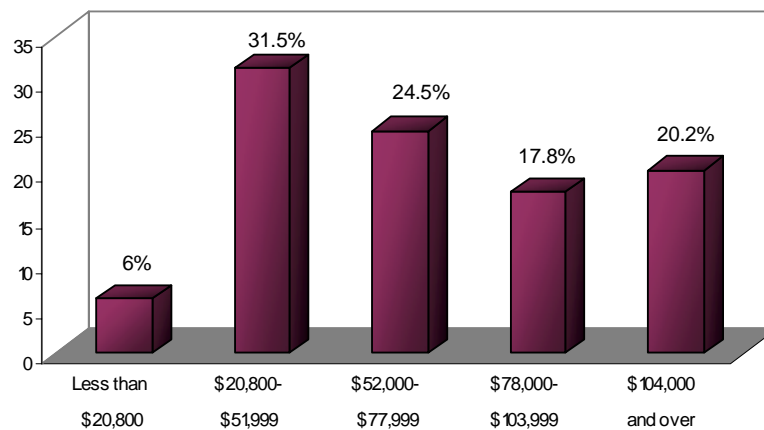
South Australian Independent Schools 2004 by Index of Disadvantage



The ABS 2001 Census of Population and Housing identified the following key points:

- 16.8% of students in the Independent school sector are from families with an annual income of less than \$32,000
- Over one-third of Independent school students are from families with an annual income of less than \$52,000
- 25.5% of students from family income ranges of over \$78,000 are in Independent schools. The remaining 74.5% are distributed between the Government (22,673) and Catholic (10,358) sectors.

Percentages of South Australian Independent school students by family income range in 2001
(Source: ABS 2003)



The AISSA supports government policies which have given parents from lower socio-economic backgrounds the opportunity to access Independent schooling and which have enabled schools catering to these communities to meet this demand. AISSA challenges the AEU's assumption that current government

funding policies are creating a two-tiered system of education. The above figures demonstrate this is not the case.

1.2. Submission Outline

The AISSA submission is primarily focussed on the Terms of Reference as they apply to the South Australian Independent school sector. The diversity of socio-economic conditions, across Australian States and Territories, means that there are some specific issues for schools in individual States. For example, SES scores of Independent schools in South Australia range from 83-118. The highest SES score for an Independent school in Australia (nationally) is 133.

The Terms of Reference for this Inquiry suggest that the Committee will focus primarily on Australian Government (or Commonwealth) funding sources. The AISSA considers this inadequate. The complexity of, and interrelationship between, Australian Government and State/ Territory funding sources necessitates a consideration of all sources of government funding (Australian Government and State/ Territory). It is also the case that the Australian Government contributes GST revenue to State income for the purposes of funding, for example, health and education.

The identification of all sources of government funding is particularly important in the consideration by the Committee of the capacity of all schools to meet current and future needs and to achieve the National Goals for Schooling in the Twenty-First Century.

The increase in government funding to non-government school students has attracted a significant amount of controversy in recent times as it is generally accompanied by the suggestion that governments are 'over-funding' non-government school students and 'under-funding' government school students. However, the increases in overall funding levels in Independent schools are in part a reflection of both the growth in enrolment and the areas (lower socio-economic) in which this growth is occurring.² It is the growth in enrolment and the changing socio-economic profile of the students which is essentially driving the growth in funding.

Non-government schools are continually blamed for the decrease in enrolments in the government school sector. However, it is more appropriate to look at the positive reasons parents are choosing non-government schools and look to incorporate these into the government sector. A recent study suggests that parents are attracted to the philosophies underpinning individual Independent schools, the community focus of Independent schools, and importantly the opportunity for the substantial involvement of parents in their child's education (Irving Saulwick and Associates 1998).

The AISSA welcomes the comment by Dr Alan Laughlin, Head of the NSW Department of Education Futures Project, that 'For too long we've been trying to fire broadsides at the non-government sector, instead of looking at what

² Increases in funding are also in part due to other factors such as indexation.

we're doing that we can build a lot more community confidence' (quoted in *Sydney Morning Herald* 15/06/04 p3).

The AISSA supports the need for a well-resourced government education system. However, we believe that this should not come at a cost of discouraging families from investing in their children's education or choosing the school that will best meet the needs of their child.

The AISSA considers that Australia's future will be strengthened by a commitment by all facets of government to strong government and non-government school sectors. It is crucial that nothing is done to undermine the strength of both.

The AISSA considers that the SES model provides the most appropriate base for the funding of non-government schools as it encompasses an entitlement and a needs component. It is interesting to note that some Government sectors use a similar indicator of relative disadvantage to allocate funds to their schools.

A key element to strengthening both education systems is reform of current accountability models to ensure that greater emphasis is placed on improving the quality of teaching and learning. It is clear that testing regimes and other forms of accountability are placing an unnecessary administrative burden on teachers, taking them away from what should be their core duty – educating students. The AISSA supports high accountability measures; however, we believe that teachers should be educators not administrators. The AISSA challenges the model of accountability that places an emphasis on form filling rather than on improving the educational outcomes of Australian students.

1.3. Political Context of the School Funding Debate

It is not possible to discuss government funding arrangements for Australian school students without reference to the political context, of the school funding debate, in which the Inquiry is taking place. This debate is characterised by a misleading focus, by opponents of non-government schooling, on Australian Government funding arrangements, ignoring the fact that State/ Territory governments provide the majority of funds for government schools.

The AISSA believes that the Australian public deserves a higher level of debate, based on all the facts.

When all government funding sources are identified it is clear that non-government school students receive significantly less government resources for education (Productivity Commission 2004). Productivity Commission (2004) figures indicate that non-government school students receive on average just over half the government funding available per student to support the needs of students in government schools. Parents (and school communities), contributing their after-tax income, provide a significant proportion of an Independent school's income.

The current debate is, in many cases, also based on a historical (mis)conception of non-government schooling which associates non-government schools with higher socio-economic communities. This certainly does not reflect the reality of Independent schooling in South Australia in 2004, as illustrated above.

The present tenet of the debate has increased tensions and damaged relations between government and non-government schools and school students. It, moreover, serves to operate as a distraction from what should be the real issue – providing a high- quality education for all Australian school students.

The AISSA appreciates the willingness of the Australian Government and the South Australian State Government to involve the AISSA in discussions relating to the provision of government services in education. However, there remains a tendency for non-government schools authorities to be invited to participate as observers rather than a recognition of our integral role as stakeholders.

It is unfortunate that anti-non-government school sentiment has been allowed to infiltrate the public sector workforce. In South Australia, the AISSA and the Catholic Education Office have had to lobby to receive access to funding for non-government students considered as 'at risk'. Non-government school students, for example, only received access to State government funding for drug education after significant lobbying efforts by the AISSA.

Governments need to recognise the reality that young people with the same risk characteristics, who attend non-government schools, should have the same access to services to enhance their opportunities for advancement. Governments should not abdicate their responsibilities for these young people simply on the basis that they attend non-government schooling. Policies that promote social inclusion should be available to all young people regardless of the school sector they attend.

It is crucial that Australia moves beyond the current divisive debate. It is clearly not in the interests of Australia's future to continuously 'pit' one group of Australian students against another. Moreover, demographic trends suggest that both government and non-government school sectors will increasingly need to attract international students. Given the competitive nature of the international student market it is essential that both sectors work together to attract international students and present a unified image.

The AISSA considers that the Senate Inquiry should condemn the divisive nature of the current debate on education funding for Australian schools.

The Senate Inquiry should further recognise the high- quality contribution of non-government and government schools to Australia's future and the building of local communities.

2.0 PRINCIPLES

This submission is based on the current principles

- All children have a right to an education that provides them with the values, knowledge and skills that are important to the community and the individual.
- All children regardless of where they obtain their education are entitled to individual attention, a safe and respectful environment, and high quality teaching.
- Governments have an obligation to ensure that school education is available for all children. However, there should be a range of providers of school education, to enhance choice for parents.
- Strong government and non-government school sectors are essential to the achievement and maintenance of diversity and choice in education.
- The provision of resources to deliver a high quality education is the responsibility of governments (State and Commonwealth), parents, business and the community at large.
- Governments should increase investment in education at all levels.
- Parents have the right to choose the school that best meets the needs of their children and are entitled to government funds to support their choice.
- The funding of school education should recognise the socio-economic and cultural diversity of Australian families and the needs of young people who are disadvantaged in the community.
- Government funding allocated by governments for educationally disadvantaged students, such as students with disabilities, should follow the student, regardless of the school attended.
- Funding allocation mechanisms must be transparent, valid and equitable.
- Accountability requirements should be based on improving efficiency and effectiveness in the allocation of government funds and further focus on improving school organisation, governance and management and teaching and student learning.

3.0 CAPACITY TO MEET CURRENT AND FUTURE SCHOOL NEEDS AND TO ACHIEVE THE NATIONAL GOALS OF SCHOOLING IN THE 21st CENTURY

3.1. Overview

Australia has much to be proud of in terms of its education systems- both government and non-government. Australian schools produce high quality educational outcomes for the majority of Australian students.

However, the capacity of schools, across the government and non-government sectors, to meet both current and particularly future needs, as outlined in the National Goals for Schooling, varies due to factors such as the size of the school and the socio-economic background of the students and school communities they serve.

It is also the case that schools in general are facing pressure from an increasing range of policy initiatives, which require access to a wide range of expertise and often necessitate changes to school organisation and structures. AISSA considers there needs to be a significant enhancement in the collaboration between teacher education faculties and schools to ensure that higher education institutions are aware of the changing nature of schools as they respond to the wide range of demands from external sources.

The National Goals for Schooling provide a vision for schools across Australia. A combination of external pressures and a culture of internal self-improvement will assist schools to achieve the objectives of this significant policy statement.

Moreover, the ability of schools to achieve a number of the National Goals, for example, Goal 3 'Schooling should be socially just..' is reliant on a supportive wider policy environment and external expertise. For example, as will be discussed in a moment, Australian and State/ Territory governments have failed to adequately fund transition programs for students with severe intellectual and physical disabilities.

3.2. Government Resourcing for the National Goals for Schooling

Independent schools receive two primary sources of government funds to support current needs and the National Goals for Schooling – recurrent and specific targeted program initiatives.³

Independent schools are almost entirely dependent on parent contributions and Australian Government funding for the implementation of specific targeted initiatives such as literacy and numeracy and vocational education. Non-government schools in South Australia receive nationally the seventh lowest State/ Territory government funding allocation. **Repeated**

³ Recurrent funding arrangements will be discussed in more detail in Section 4.

submissions by the AISSA and the Catholic Education Office to the State government on these areas of need have received little recognition. This reinforces the reliance on the Australian Government for both recurrent and targeted funds.

3.2.1. Targeted Program Funding

Achievement of the National Goals for Schooling is supported in Independent schools through Australian Government programs of targeted financial assistance to schools under the *State Grants (Primary and Secondary Education Assistance) Act 2000*. The other two school sectors also have access to this funding.

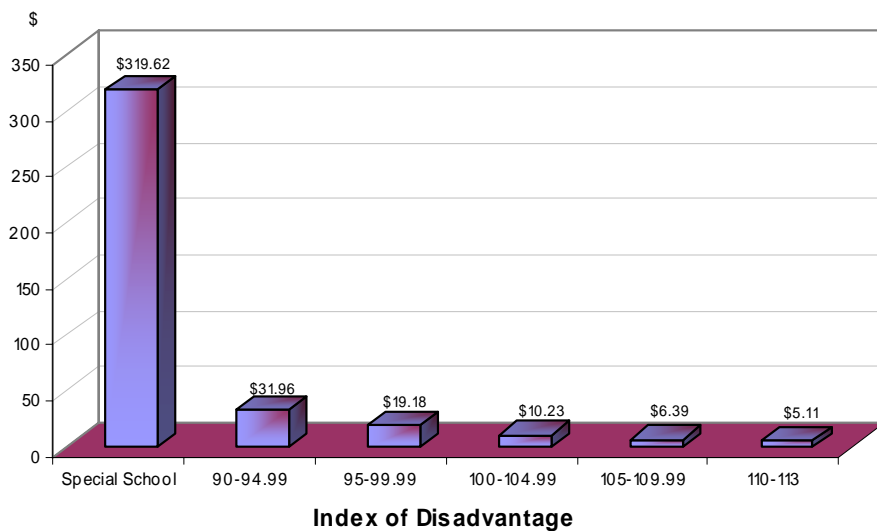
From 2001 programmes of targeted assistance for improving the learning outcomes of educationally disadvantaged students include:

- Strategic Assistance for Improving Student Outcomes Programme (including students with special needs and literacy and numeracy)
- Country Areas Programme
- ESL New Arrivals Programme

Targeted Program funds are administered by a Nominated Authority, such as the South Australian Independent Schools Targeted Programs (TP) Authority Inc. Contractual arrangements specify what the Targeted Program funds can be spent on for both government and non-government schools.

As the following graph illustrates Targeted Program funding in South Australia is allocated by the TP Authority on a needs basis using the South Australian State Government Index of Disadvantage.

Total Direct Literacy and Numeracy Grants (per capita) for South Australian Independent Schools in 2004 by Index of Disadvantage

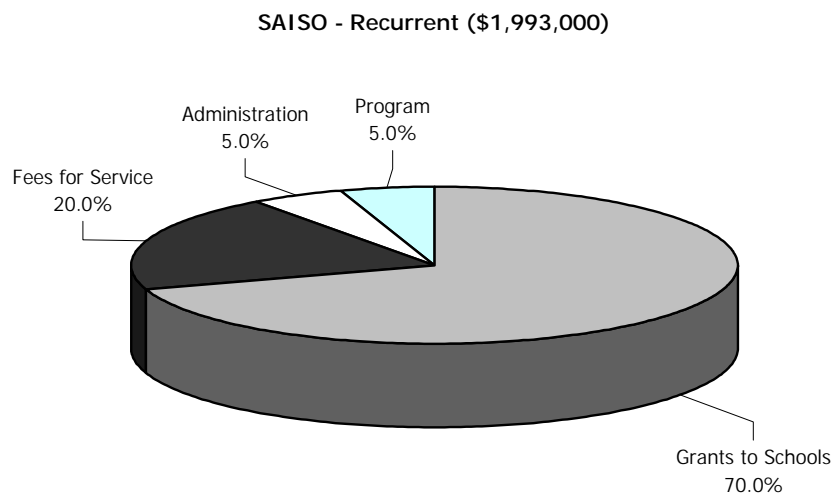


The Targeted Programs are supplemented annually in accordance with section 105 of the Act in respect of movements in average government school recurrent costs through the application of the AGSRC Index.

As a condition of funding the TP Authority commits to

- Working towards the achievement of the National Goals for Schooling for the 21st Century
- Achieving the performance measures and performance targets as established in the Regulations.

The allocation of Targeted Program funding by the South Australian Targeted Program Authority illustrates the efficiency with which the funding is allocated to South Australian Independent schools. The graph below demonstrates the majority of Targeted Program funds in South Australia are allocated in grants to schools. Specific accountability (direct reporting) requirements are in place for these direct grants.



3.2.2. VET in Schools

The National Goals for Schooling⁴ are further supported by Australian Government funding for VET in schools.

Independent schools in South Australia have witnessed a rapid and substantial increase in the number of students participating in VET programs, in part due to the ANTA funding associated with VET in Schools programs. There has also been an increase in the depth of VET undertaken by students. From a base of

⁴ See for example MCEETYA (1999: 1.5) 'Schooling should develop fully the talents and capacities of all students. In particular, when students leave schools they should: have employment related skills and an understanding of the work environment, career options and pathways as a foundation for, and positive attitudes towards, vocational education and training, further education, employment and life-long learning'.

697 students in 1997, 3,471 students were involved in VET in Schools programs in 2003. During the same period the number of schools increased from 13- 35 (out of a potential 39 schools). The numbers of students in School-based New Apprenticeships also increased by 56.6% in 2003 (from 83 to 216) with the highest participation (75%) in the Sales & Personal Services industry area. Primary Industry and Tourism and Hospitality made up most of the remaining 25%.

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|--------------------------------|--------|--------|---------|---------|---------|---------|---------|
| No. of Students | 697 | 1,491 | 2,766 | 3,273 | 3,467 | 3,609 | 3,471 |
| Annual Hours Curriculum | 40,200 | 86,391 | 138,197 | 240,294 | 343,000 | 373,545 | 350,447 |
| New Apprenticeships | Nil | 1 | 6 | 30 | 72 | 83 | 216 |

The increase in the number of schools offering VET programs reflects the capability of the Independent sector to adjust to the changing profile of students enrolled in the sector and to government policy initiatives.

Funding for VET in Schools

ANTA funding is the major source of public funds for Independent schools in South Australia for the provision of vocational education and training. Despite some statements by State Government personnel, the Independent sector in South Australia does not receive any State funds for vocational education and training programs from State Government sources.

Funds for the coordination of workplacements are provided by the Department of Education, Science and Training (formerly ECEF funds). However, these funds are not directly available to schools or school authorities but are channelled through eighteen Local Community Partnerships across the State. The access to these funds by Independent schools is limited (due to the small amount of DEST funds available for each Partnership) and utilisation is patchy across the State. Most Independent schools take responsibility (and carry the cost) of providing the majority of work experience and structured workplace learning opportunities for their students. The AISSA considers that an evaluation of the current model of distribution of the DEST funds for workplacement coordination is required to ensure that each school sector receives its share of the Commonwealth funds.

In 2003 the Independent school sector in South Australia received \$309,919 in ANTA funds. The number of Curriculum Hours delivered was 350,447. Based on total income and curriculum hours as total outputs the average cost of delivering VET in Independent schools was 0. 88c per curriculum hour in 2003. The actual cost of training per student per hour in the VET sector is calculated at >\$5 per hour. Hence, Independent schools are already

integrating much of the cost of VET delivery into their budgets and operations. Additional costs such as VET and workplace co-ordination, purchase of training, teacher training, liaison with industry and other business and community groups or RTOs are also carried by school budgets, once the small grant available through the sector's ANTA funds has been expended. (Most schools received an average ANTA grant of \$4000-\$8000 per year).

The DEST report *The Cost of VET in Schools* prepared by the Allen Consulting Group, NCVET and Deloitte Touche Tohmatsu in 2003 found that, nationally, the average cost of delivery per student hour of VET in schools is \$6.91. The report concluded that these programs in most cases are more expensive than general education courses and that the 'direct school cost and non-school organisation cost of VET in Schools in Australia was in the order of \$227million.' Key cost drivers included infrastructure requirements, teacher hours, number of courses administered, and student hours.

Moreover, an earlier MCEETYA report found that when a student engages in on-the-job VET it generally does not result in any offsetting cost reduction in general education. Hence, it is not simply a matter of substituting resources from other areas of the school program, which are required to meet senior secondary certification and are core elements for the development of general skills.

Importantly, the level of ANTA funding since 1997 has not matched the expansion of VET in Schools programs. Consequently, the available funds are spread over a greater number of students, teachers and schools, a situation which not only limits the capacity of school authorities to meet the unmet demand to introduce VET in Schools programs but also to assist disadvantaged groups such as rural students, students with disabilities and indigenous students.

The AISSA argues that the long-term sustainability of high quality VET in Schools within the Independent sector is dependent on access to funds from both the State and Commonwealth governments. Moreover, funding should be matched to the expansion of VET in Schools programs.

The AISSA further considers that a more integrated approach is required to allocate and administer government funds associated with VET in Schools programs (including workplace coordination). However, this should not lead to a single, standardised approach to the delivery of VET at the State or local level.

3.2.3. Other Programs

Independent schools also have access to a range of other Australian government funded targeted initiatives to support the needs of Independent school students and support the achievement of the National Goals for Schooling. These programs include Australian Government Quality Teacher Program, National School Drug Education Strategy (DNSDS), and a range of

programs directed toward improving the outcomes of Indigenous students⁵. **Each of these projects has the same accountability measures for the non-government school sector that apply to the government school sector.** In the case of the Drug Education Strategy the three school sectors sign off the same Resource Agreements. AISSA confirms that the withdrawal of these Commonwealth funds will severely limit the ability of schools to meet the National Goals for Schooling in the Twenty-First Century.

The continuing of additional targeted Commonwealth funding is necessary to support the achieving of the National Goals for Schooling.

3.3. Areas of Increased Need

A recent report by the South Australian Ministerial Advisory Committee on Non-Government Schools (2003) identified a number of areas in which non-government schools would benefit from increased assistance to meet current and emerging needs including:

- the provision of support for a growing cohort of special needs students
- IT infrastructure
- capital development
- vocational education and training infrastructure.

Access to services in these areas is 'considered to be necessary for all young South Australians and therefore access should be consistent across all schools' (Ministerial Advisory Committee on Non-Government Schools 2003).

The above report recognises that in order to meet these increased pressures non-government schools are having to:

- increase tuition fees
- provide increased levels of fee remissions for those 'families who just fail to benefit from School Card eligibility'
- set up building fund and IT levies
- increase fundraising activities
- rely more on volunteer efforts
- increase debt through taking out additional loans to finance capital and IT development
- fund an increasing number of speech and psychological assessments as well as other services for students with language, emotional and behavioural needs
- increase support and facilities for students with special learning needs.

Various State governments in South Australia have not included any of these needs in State budget considerations.

⁵ Programs to assist Indigenous students will be discussed in a moment.

There would be a significant future advancement of the National Goals for Schooling, both short and long-term, if overall Australian and State/ Territory Government funding levels for education were increased. The AISSA further considers that additional funding should be targeted to specific areas in order to increase equity and improve outcomes. The areas of most need are identified below.

3.3.1. Resourcing the Increasing Demands Placed on Schools

As Professor Colin Power (2000) indicated in his opening address at the 2000 NCISA conference, schools represent one of the remaining stable institutions in society and the community is placing more demands on schools as other service agencies lose support and influence. The basic moral and social fabric of society is also changing and a new set of problems are challenging the community.

In essence schools are faced with trying to meet rapidly changing, and at times quite contradictory, demands from an increasing number of stakeholders. Moreover, the quality of schools is being judged by both old and new international and national standards.

Schools are increasingly being pressured to play a more proactive role in solving the social problems of society such as social exclusion, drug and gambling abuse, violence, health, youth suicide and mental health and dislocation of young people from their families and communities. Independent school communities face the same challenges as their government school counterparts.

While Australian Government and South Australian State Government funding and programs, for example in relation to drugs the Drug National School Drug Education Strategy (DNSDS) and Department of Education and Childrens Services (DECS) Drug Strategy, is of significant assistance in a number of areas listed above, government funding should further recognise the significant contribution that schools are increasingly making. All students should have access to initiatives in these areas.

Increasingly the 'blame' for social problems is laid at individual schools or the school system. In effect the focus on individual schools deflects attention away from the responsibilities of government (Commonwealth and State/ Territory) to address many of the underlying issues – social and economic – which underpin negative behaviours. Schools can play a key role in delivering social outcomes. It is, for instance, widely recognised that a school is not just a place of instruction but is also a key developmental area where values are shared and developed and social and spiritual lives as well as minds are forged. This belief underpins the National Goals for Schooling. However, while schools can assist in the delivery of social outcomes, they should not be held responsible for, or expected to solve, wider societal problems. **A more coordinated inter-agency approach at both State and National levels is strongly supported by the AISSA.**

Student lifestyles have also changed markedly in recent years with a significant number of young people involved in part-time work unrelated to

their studies. Innovative approaches to cater for these students are needed. Many schools have, for instance, modified school attendance requirements to suit the school/work pattern of their students. Australian schools have also modified their programs to meet the changing needs of students, in particular in relation to ensuring that students are provided with a range of pathways to further education and employment.

The changing Australian lifestyle is also impacting on schools. Research suggests that a number of Australian children are increasingly leading a sedentary lifestyle, with negative implications for health and concentration in the school setting. Schools are again being required to find innovative approaches to counter the negative impacts of inaction. Recent announcements by both major political parties include increased roles for schools in this area.

It is clear that significant benefit would accrue from the Australian Government and State/ Territory Governments increasing investment in education to meet the changing needs of schools and school students.

Moreover, State Governments should be more inclusive of the needs of non-government school students in initiatives designed to improve educational outcomes, particularly for disadvantaged students.

3.3.2. Preschool Children

As the OECD report *Education at a Glance OECD Indicators 2003* notes 'Investing in early childhood education is of key importance in order to build a strong foundation for lifelong learning and to ensure equitable access to learning opportunities later in school' (OECD 2003: 203). However, pre-school children are not currently considered a funding priority by either Commonwealth or State/ Territory governments.

The AISSA considers that all children should receive an equitable distribution of resources through funding arrangements to enable access to the early learning centre or preschool of their choice. Independent preschools and early learning centres receive income from private fees and currently have no access to Commonwealth or State funding and support services. This limits the ability of some families to access places in these centres because of cost.

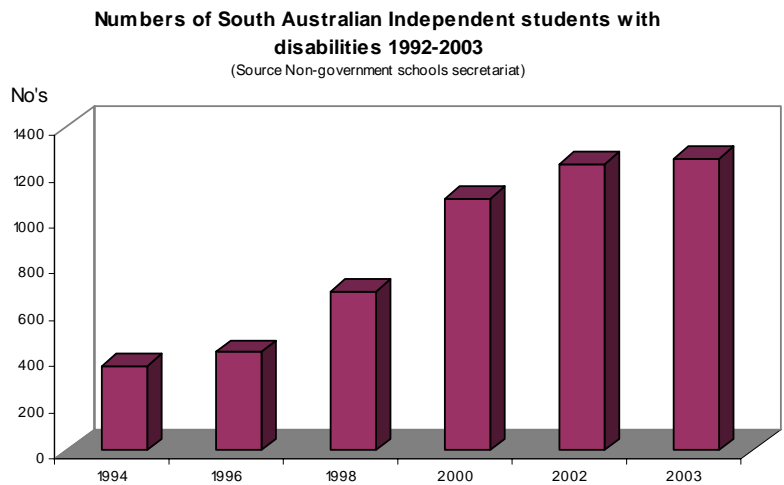
The current funding arrangements do not, at present, support the desired outcome of higher levels of literacy and numeracy. For example, under Australian Government Guidelines, Targeted Program funds providing support for improving the development of literacy and numeracy are specifically targeted solely at primary and secondary students. If higher levels of literacy and numeracy (in particular for Indigenous children and children with special needs) are to be an outcome of the National Goals for Schooling then the criteria by which funds to support these objectives can be accessed must be widened. This should be matched by a corresponding increase in Targeted Program funds.

The lack of access to a wide range of support services, such as speech pathology, by Independent preschools and early learning centres means that parents must access these services privately, placing a significant financial obligation on parents and families. In effect parents of these children are financially disadvantaged by their choice to seek a placement in the Independent sector.

The AISSA considers that the Senate Committee should recognise the benefits of increased investment in pre-school education by the Australian Government and State/ Territory Governments.

3.3.3. Students with Disabilities

Independent schools have experienced a significant growth in the number of students with disabilities (see graph below). This increase can be attributed to a number of factors including the implementation of the *Disability Discrimination Act 1992*, the closure of specialist government facilities, advances in medical technologies which are increasing the survival rates of premature babies and medical intervention which is increasing the life expectancies of children with disabilities, such as cerebral palsy, and the survival rates of children who are injured in serious accidents or have illnesses or diseases such as cancer (Ministerial Advisory Committee: Students with Disabilities 2001: 7).



While these advances have led to an increased capability for these students to attend long-term schooling, in many cases these children have continuing and complex health and personal care needs such as gastrostomy (tube feeding). Students often require intensive medical care and educational support and can, depending on the type of disability, have significant behavioural issues. However, government funding (Commonwealth and State) has not kept pace with the differing needs of these students.

The Independent school sector believes there are significant benefits from increasing the numbers of students with disabilities in non-specialised Independent schools. Independent schools have a social commitment to

increasing numbers of students with disabilities but their efforts are limited by the differential funding arrangements which are currently in place for non-government schools.

Most Independent schools are very reliant on funding from the Australian Government to support the needs of students with disabilities. The SA Independent Schools Targeted Programs Authority administers the Commonwealth Per Capita Special Education grants (\$812,701 as at February 2004) which equate to \$654 per student with disability no matter the severity of the disability and the Compensation amounts (\$455,893).⁶ These funds are allocated directly to schools on the basis of data collected by DEST in the Commonwealth Census. Students with disabilities in Independent schools also have access to other Commonwealth Targeted Program Funds and services and Commonwealth funded initiatives such as Non Government Centre Support.

Independent schools have access to State grants which are administered through Advisory Committee for Non-Government Schools. In 2003 the amount varied between \$339.00 and \$1356.00 based on severity of disability.

AISSA does not accept the claim made by some opponents of non-government schools that they are over funded in regard to students with disabilities. Funding to non-government schools is based on a proportion of the Average Government Schools Recurrent Costs, which includes a small fraction of the cost of educating students with disabilities in government schools, as well as a number of other costs related to education. **It needs to be noted that according to the South Australian 2004-05 Government Budget Paper, the actual costs for a student with a disability in a government school can vary between \$1396 to \$25 854 depending on the level of disability.**⁷

Moreover, parents of students with disabilities are often disadvantaged by their choice of an Independent school through loss of access to a range of services, such as transport, which would be available if their children were enrolled in a government schools.

The AISSA considers that additional funding for students with disabilities should follow the student, a position supported by the recent Productivity Commission (2003) *Review of the Disability Discrimination Act 1992 Draft Report*.⁸

There are a number of areas where additional resources would be beneficial in relation to students with disabilities including early intervention programs.

⁶ The Compensation amounts are due to finish at the end of the quadrennium. Some students are also eligible to receive support from non-government agencies. This will vary from student to student.

⁷ 2003-04 estimate. *2004-05 Portfolio Statements*, Budget Paper 4, Volume 3.

⁸ The Productivity Commission argue that greater share of funding for special education could be linked to individual students 'which would enable special program funding to "follow" an individual student with a disability, if that student chooses to change schools'.

Research suggests that early intervention can have significant benefits on the long-term outcomes of many students with disabilities. Parents of students with disabilities across the school sectors also need access to adequate levels of respite care.

The AISSA argues that additional government funding for students with disabilities should follow the student regardless of the sector they attend.

Significantly, transition programs and care facilities for students with severe physical and intellectual disabilities to participate in upon leaving school are grossly under-funded. Given the focus by Commonwealth and State/ Territory governments on the need for a range of pathways for all Australian students it is inequitable that the needs of this group of students are essentially ignored.

Commonwealth and State/ Territory Governments should ensure that students with disabilities have an equitable access to a range of transitional pathways and support services to meet their long-term needs, regardless of the school sector attended.

3.3.4. Indigenous Students

Research continues to confirm that students with Indigenous backgrounds continue to experience less favourable outcomes than non-Indigenous students. In Mellor and Corrigan's (2004: 1) words

Although the rate of Indigenous students' access to, participation in, and retention in education has shown improvement in some areas in recent decades, equitable outcomes are not being achieved.

A recent report by South Australian Ministerial Advisory Committee: Students with Disabilities (2003) found that 933 (13.1%) of Aboriginal students in South Australia have an identified disability. This compares to 6.6% of non-Aboriginal students. It is, however, noted that due to cultural differences in identifying disability the actual incidence of disability in Aboriginal students is believed by most educators to be much higher.

Mellor and Corrigan (2004: 2) note that nationally Indigenous students experience higher absenteeism rates than non-Indigenous students. Moreover, 'only one in three Indigenous students' are likely to complete Year 12 and Indigenous students are less likely to complete higher education courses than non-Indigenous students (p2). Indigenous students in the South Australian Independent school sector also do not perform as well in the benchmark tests in Years 3, 5 and 7.

Independent schools access funds for Indigenous education programs and special projects from a range of Australian Government programs (funded through DEST) including:

- Targeted Outcomes Projects (TOPS)
- Vocational and Educational Guidance for Aboriginals Scheme (VEGAS)
- *National Indigenous English Literacy and Numeracy Strategy (NIELNS)*

- *Working Together for Indigenous Youth* (WTIY) and
- Strategic Assistance for Improving Student Outcomes (SAISO) Programme⁹

Schools can also access other benefits and services for their Indigenous students including the Aboriginal Student Support Parent Awareness (ASSPA) Programme; the Aboriginal Tutorial Assistance Scheme (ATAS); and, the ESL-Indigenous Language Speaking Students Programme (administered by the Lutheran system).

Indigenous Students in the South Australian Independent school sector

Nationally, 4.2% of Indigenous students in Australia attend Independent schools; 8.3% attend Catholic schools and 87.5% attend government schools. In South Australia, Indigenous enrolments in the Independent sector have increased each year over the past five years from 197 in 1999 to 306 in 2003. The AISSA is continuing to look at ways of enhancing access for Indigenous students to Independent schools.

The numbers of Indigenous students in Independent schools are relatively small and widely dispersed across schools in the sector. In 2003, there were 306 Indigenous students in the sector comprising 0.8% of the total enrolments. 196 were enrolled in Lutheran schools; 110 in non-Lutheran schools. These students were enrolled in 41 Independent schools. Of these schools, 27 had five or less Indigenous students. Only two schools had more than 20 indigenous students.

The range of funding sources for different programmes and projects result in a diversity of accountability and reporting requirements required by the Commonwealth relative to the small amount of funds received. The level of reporting and accountability, compared to the funds available for each Programme, is a significant issue.

It is clear that it is necessary to implement a more integrated approach to the number of programmes to reduce and rationalise the degree of reporting and accountability required of school education authorities. This should include utilising nationally collected data such as the literacy and numeracy benchmarks in Years 3, 5 and 7.

Current conditions of funding do not take into consideration the dispersed nature of the Indigenous enrolments in the Independent sector. In some

⁹ AISSA administers the SAISO programme, and the VEGAS and NIELNS projects on behalf of all Independent schools in South Australia. It administers the TOPS programme on behalf of all non-Lutheran schools. The Lutheran system has negotiated its own TOPS contract directly with the Commonwealth. The *Working Together for Indigenous Youth* Project is a one-year joint project in conjunction with Catholic Education SA which administers the project on behalf of the two sectors.

instances, programme guidelines have stipulated minimum numbers of 20 students as the criteria for accessing funds. Such conditions immediately eliminate 95% of Independent schools with indigenous enrolments. This situation occurred in the last quadrennium with the TOPS funding. The AISSA made representations to DEST on behalf of its schools and was ultimately able to access funds through a 'cluster' model, which comprised a number of Independent schools with small Indigenous enrolments.

Moreover, proposed changes to funding for the 2005-2008 quadrennium have the potential to further disadvantage Indigenous students in Independent schools due to the dispersed nature of the enrolment. Further potential disadvantage arises when programmes are designed with a heavy focus on the involvement of Indigenous parents and communities in competitive, submission-based funding processes at the individual school level.

For example:

Whole of School Intervention Strategy

- This strategy includes a Parent School Partnership which provides access for Indigenous school-based parent committees and school councils to competitive, submission-based funding. However, where there are only 2-3 Indigenous students enrolled in one school the potential for parents and parent committees to apply successfully for funds may be limited, with the end result being that students do not get the benefit of the funding.

Indigenous Tutorial Assistance Scheme (ITAS)

- Proposed in-class tuition for students in Years 4, 6 and 8 means that students in the early years who may have already been identified as not meeting the benchmarks prior to Year 3 will not be able to access additional tuition. It is also possible that when students make the transition from Year 7 (Primary school in SA) to Year 8 (High School) vital information about their levels of literacy and numeracy achievement in the Year 3, 5 and 7 Benchmarks assessments may not be taken with them to new schools thus putting them at risk of not accessing the ITAS. It would be more beneficial for students to be able to access tuition before they sit for the benchmarks tests, ie in Years 2, 4 and 6. This would also overcome transition problems for students moving from Primary to High School at end of Year 7.
- The proposed conditions of funding stipulate that ...*"Only schools with 20+ Indigenous students in metropolitan areas"* will be able to access the ITAS funds. Under the current enrolment profile, this means that no Indigenous students in metropolitan Independent schools would be eligible to access ITAS. This figure represents approximately 50% of total enrolment in the sector.

The AISSA considers that an alternative scheme such as the "cluster" TOPS model should be available, so that the school education authority can apply for ITAS on behalf of its schools so that a total enrolment of 20+ Indigenous students can be achieved across schools.

Performance Measures, Accountability

- School jurisdictions that supply services to non-systemic independent schools do not directly access mainstream recurrent funding. Direct accountability for Commonwealth funds lies with each individual school. Further, school jurisdictions that supply services to non-systemic schools are not authorised to collect data from their schools. The requirement for an IES may need to be included in each school's Resource Agreement with the Commonwealth.

It needs to be noted that schools cannot solve the wider societal problems faced by some students from an Indigenous background. More needs to be done to overcome the structural disadvantages such as poverty and health problems. This is a further illustration of the need for a coordinated interagency approach both at national and State levels. Indigenous students attending non-government schools are entitled to all services available to Indigenous students in a government school. AISSA is committed to participating in any such approach.

3.3.5. ICT

Schools are facing significant and increasing demands in the area of ICT. Government and non-government schools are required to commit ever increasing levels of resources to the provision of equipment, infrastructure and recurrent costs in order to develop student and teacher skills in ICT and to facilitate online learning. The drivers for this increased school commitment come from society, government and advances in school curriculum development.

MCEETYA (July 2002) has made a commitment to the development of an e-learning strategy and the Australian Government has supported the development of The Le@rning Federation and the concept of online curriculum being available across Australia to all students.

However, many Independent schools, particularly in rural and remote areas, do not have access to broadband technology through fibre optic cable, ADSL high speed access or through ISDN connection. The very expensive options of satellite or radio connection are the only alternatives for many schools. Licensing costs for schools are additional costs which are a constant drain on school resources.

Moreover, the provision of broadband access, if available, comes at very high rates which many Independent schools, particularly new schools and lower fee schools, cannot afford. In South Australia the majority of independent schools are smaller primary schools. As a consequence, there are many schools which cannot access the bandwidth necessary to implement the demands imposed by the drivers mentioned above. Currently, over 42% of South Australian Independent schools have equal to or less than 256kb bandwidth and many of those are existing on 64kb or less.

It is disappointing that the Australian Government can pronounce that access to significant bandwidth and e-learning is of vital importance for all students, but not ensure that all schools have the means to supply that access for their students. The AISSA considers that the Australian government is evading its responsibility in this matter by encouraging groups such as schools to combine with local communities in securing bandwidth rather than the government allocating the funding necessary.

Access to broadband infrastructure must be provided on an equitable cost basis for all schools in order to provide stable and reliable internet access and to support the ICT educational needs of Independent students.

The developments in ICT have also raised key professional development issues. For example, ICT technology developments advance at a speed far beyond the ability of schools and teachers to maintain their ICT skills. Government funding is essential to develop teacher and administrative ICT skills. The development of teacher skills is left for Independent schools to fund, yet, as outlined above, many of these schools do not have the resources, nor do they always have the staff on hand who can provide the training

The AISSA considers that funding for teacher development in the area of ICT should continue to be included in future Quality Teacher Programs to maximize the potential for e-learning in schools

4.0 ROLE AND RESPONSIBILITY OF GOVERNMENT FOR QUALITY, EQUITY, EFFICIENCY AND EFFECTIVENESS IN PUBLIC FUNDING FOR GOVERNMENT AND NON-GOVERNMENT SCHOOLS

4.1. Overview

It is the role and responsibility of both the Australian Government and State/ Territory Governments to fund the educational needs of all Australian students, irrespective of their family background or the school sector in which they are educated.

The AISSA calls on the Senate Committee to outline the respective responsibilities of Australian and State/ Territory Governments for the equitable funding of all Australian schools and to recommend a new framework for funding of all Australian schools. This framework should acknowledge the roles of the Australian and State Governments in the funding of schools.

Currently, non-government schools receive the majority of their allocated government funding from the Australian government. However, there is significant variation between State/ Territory government funding arrangements for non-government schools across the States and Territories.

Non-government schools in South Australia, for instance, receive the seventh lowest allocation from the State government.

The current SES model, upon which this Inquiry is largely based, was developed after extensive consultation and is a significant improvement on the previous ERI model. **The AISSA considers that there should be one model for the funding of non-government schools and in this context the AISSA welcomes the inclusion of the Catholic sector into the SES system.**

No student in a non-government school is eligible for the same amount of government (Commonwealth and State/ Territory) funding as a student in a government run school. In addition, the increase in the government (Commonwealth and State /Territory) funding allocated to non-government schools is essentially related to increases in enrolments and the characteristics of students attending the schools. Simply put, more families, in particular from middle and lower incomes, are making the choice of a non-government school.

Non-government students in effect make lower demands on State government resources because their parents contribute to the costs of their education. Consequently, more not less government funds should now be available for the education of students in government schools.

It is essential that government funding of school students not punish parents who wish, or act as a disincentive, to invest their after- tax income in the education of their children.

4.2. Principles for the Funding of Australian schools

The AISSA considers that for the equitable and efficient allocation of resources, to support the education needs of government and non-government students in Australia, government funding must be underpinned by the principles of **Entitlement** and **Need**. The AISSA further considers that government funding processes should be transparent for both government and non-government sectors and provide stability in funding to enable schools to make long-term plans.

4.2.1. Entitlement

All Australian students are entitled to a level of government funding to support their education needs regardless of their background or the school sector they attend. Schooling is, for instance, compulsory for young people.

The principle of entitlement is further a recognition of the benefits of schooling to Australia's long-term future, both in social and economic terms. Simply put, it makes good sense for Commonwealth and State/ Territory governments to invest in the education of all Australian students, regardless of social background or the school sector they attend. The benefits will far outweigh the initial cost.

Parents of non-government students also contribute to government funds for education through the taxation system. Moreover, parents make a decision to contribute, in many cases a significant proportion of, their after-tax income to the education of their children.

The AISSA considers that the Senate Committee should recognise the right of all Australian students to a basic level of funding to support their education needs, regardless of their background or the school sector they attend.

The AISSA considers that for non-government students this entitlement should be at least 25% of the cost of educating a child in a government school.

4.2.2. Need

Government funding of school education should further recognise the socio-economic and cultural diversity and needs of Australian families and in particular the needs of young people disadvantaged in the community. The principle of need recognises that some students face additional barriers to achieving equitable educational outcomes and future pathways.

Students who have additional educational needs include students with disabilities and learning needs, students from lower socio-economic backgrounds and students from Indigenous backgrounds. For example, increasingly students with disabilities are receiving their education in a non-specialised setting. Independent schools report that this brings significant benefits to those school communities. However, in some cases these students require intensive medical care and educational support and can, depending on the type of disability, have significant behavioural issues.

Moreover, some students from lower socio-economic backgrounds, and in particular some students from Indigenous backgrounds, also require additional resources to counter some of the negative effects of the structural inequalities they face.

The AISSA reiterates that government funding (Commonwealth and State) has not kept pace with the increasing costs and expertise necessary to support these needs.

The Senate Committee should recognise that some students require higher levels of funding to support their educational needs, regardless of the school sector they attend.

4.2.3. Stability in Funding

The ability of schools to deliver high quality educational outcomes is also largely dependent on stability in education funding. The current uncertainty over future funding arrangements is undermining the ability of schools to plan accordingly to meet future needs.

The AISSA considers that no school should have their funding reduced through changes in funding arrangements before the end of the 2005-08 quadrennium.

4.3. The Current Funding Model

Funding of Australian schools is based on a mix of Commonwealth and State/ Territory funds and parent or school community contributions. It is critical that the debate about government school funding is set in the context of the dual role of Commonwealth and State/ Territory contributions.

The current political debate about school funding has been characterised by a misleading focus on Australian Government (Commonwealth) funding arrangements. This argument ignores the fact that State Governments are the primary providers of government funding to government schools. In South Australia, for example, the State Government provides a minimal per capita level of assistance to non-government schools.

The contribution of State and Territory governments to government schools is recognised within the MCEETYA *Resourcing the National Goals for Schooling* which states

‘The States and Territories provide the majority of funding for government schools. Commonwealth funding is an integral component of government schools funding and is necessary to ensure the objective of quality government schooling’.

Current arrangements are underpinned by the principles of need and entitlement. Independent schools educating students from a lower socio-economic background receive a higher level of government funding per student than other Independent schools. The level of government funding for Independent schools also varies according to the numbers of students with disabilities, students with learning difficulties, families eligible for School Card and students from non-English Speaking and Indigenous backgrounds.

4.3.1. Australian Government

Recurrent

The recurrent funding of Independent school students in Australia is currently based on a percentage of the calculated Average Government School Recurrent Cost (AGSRC). The amount of funding received by Independent schools is based on a calculated socio-economic status (SES) score.

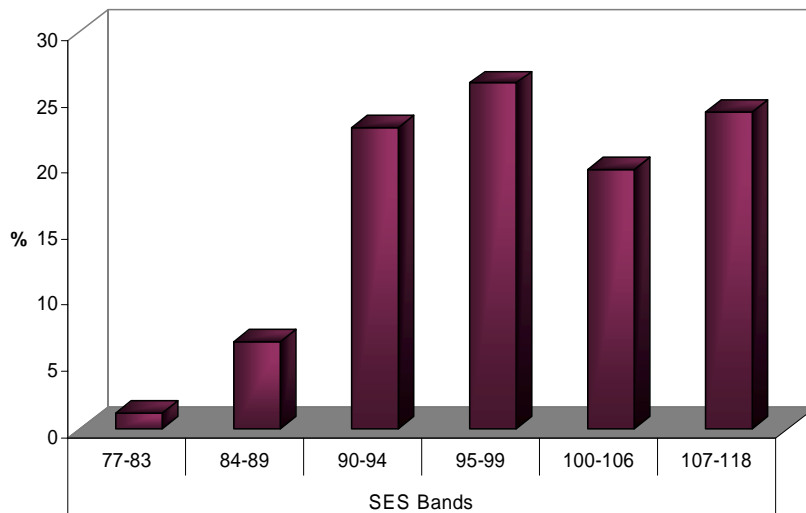
Independent schools also pay a range of other costs that are not calculated in the AGSRC including

- Insurance
- Legal fees
- Audit fees
- Rates/ taxes

Contrary to popular belief SES is not measured by postcode. SES is based on the linkage between student addresses and current Australian Bureau of Statistics (ABS) Census data. An SES index is then applied to obtain an SES score for each school. The level of funding per student varies according to the socio-economic profile of each school community and the level of need among the students (e.g. students with disabilities), hence, incorporating the principles of entitlement and need. SES operates as a guide to the capacity of the parents in the school community to pay, mixed with a minimum entitlement.

The SES scores for South Australian Independent schools range from 83-118. The highest score in Australia is 133. Catholic schools in South Australia range from 77- 116. There are significant similarities between the percentages of Independent and Catholic schools between the SES scores of 90 and 106. Hence, South Australia has significant difference in its socio-economic profile than other states. Moreover, as noted before, South Australian non-government schools receive minimal funding and limited access to services from the State Government.

Percentages of Independent schools by SES score 2005-08



Targeted Initiatives

The Australian Government funds a range of additional programs including the previously discussed Targeted Programs, VET in schools, and Quality Teacher Programs which assist schools in the promotion of equity and quality.

We reiterate our belief that the overall levels for this funding should be increased to further target educationally disadvantaged students.

Capital Funding

Capital works funding from the Australian Government is available to support those Independent schools which service the most disadvantaged students. It

is not available to every Independent school. Capital works funding is supplementary to the funds supplied by each school's parent community, which has to supply the vast proportion of the money for capital works. Independent schools, even those located in lower socio-economic communities, which apply for such funding in South Australia have to provide between 35% - 70 % of the total cost of the projects, depending on their SES score or State calculated Index of Disadvantage.

Capital grants to South Australian Independent schools are allocated by the Block Grant Authority (BGA). The BGA allocates funds according to Australian Government guidelines and ranks eligible schools on the basis of State Government Educational Index of Disadvantage in order to promote equity and efficient use of resources. Higher fee schools never receive a grant from this source of funds. Parents and the wider school community contribute the funds for building projects in these schools.

Each application is subjected to rigorous scrutiny by the South Australian Block Grant Authority (BGA) and each school is required to make a maximum financial contribution. This close monitoring at the local level ensures that effective recommendations are made. Each project also has a range of accountability requirements. The BGA scales back the scope of most projects in order to determine the minimum viable project.

The total amount of funding available to the BGA each year is in the order of \$2.8 million, which supports projects with a much higher total cost.¹⁰ By contrast government schools in South Australia received \$18 million in Commonwealth funding for capital works in 2003/2004. The total amount allocated to the Independent school sector is significantly less than one announced \$3.6 million project for a State government primary school.

A number of factors (internal and external) are impacting on the need for Independent schools in South Australia to construct new buildings and refurbish others. These include:

- the large growth in enrolments
- curriculum change
- government legislative requirements.

It should be noted that funding is not available for maintenance issues and all applicant schools are required to have an adequate asset management plan in place.

The *Survey of Non Government Schools Infrastructure 2001*, commissioned by the Australian Government, illustrated that many non-government schools, and in particular the smaller schools with a lower resource base, were in need of significant improvement. For example, approximately 30% of Independent primary schools surveyed did not have libraries. In addition, some 30% of the surveyed secondary/combined schools did not have at least 6 specialist

¹⁰ Applications for 2005 funding have a total in excess of \$13.5 million.

facilities (inclusive of a library), which represented the minimum necessary in order to offer an adequate curriculum.

The AISSA considers that the Australian Government should maintain a commitment to the allocation of capital funding for Independent schools in SA and that this total is increased to reflect the growth in the sector.

Funding Maintenance

The 2001-04 SES model enabled schools disadvantaged under the SES model to maintain funding and ensure stability. The 2005-08 model recognises that there is a need for a longer transition period, given that schools are advised to make long-term Strategic and Business plans. The majority of Funding Maintained schools are situated in areas of new or high population growth. In responding to this growth it has been necessary for schools to also increase their capital investment.

If Funding Maintenance was to be discontinued without adequate advance notice or an adequate transition process, it is the case that a number of schools would be in severe financial difficulty.

The AISSA considers that there should be no change to the arrangements for Funding Maintained schools before the end of the 2005-08 quadrennium. Moreover, if changes are made to recurrent funding arrangements beyond the 2005-2008 quadrennium these should be signalled well in advance and allow for a significant transition period.

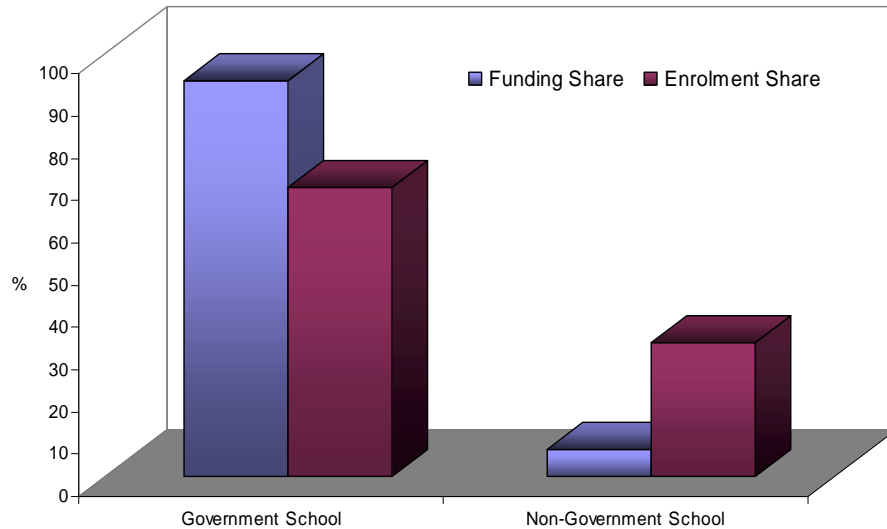
The AISSA does, however, acknowledge that there is a diversity of opinion on the issue of Funding Maintenance.

4.3.2. State Government

As noted above there is significant variance across the States and Territories in regard to State funding for non-government schools. Independent schools in South Australia receive minimal government funding from the State Government. South Australian non-government schools are the seventh lowest in State government funding allocations across Australia (Productivity Commission 2004).

The most recent Productivity Commission (2004) figures indicate that students in government schools receive more than 93% of South Australian government funds for education despite, for the same period, having less than 69% of the total enrolmentOs. As noted previously, Independent schools have limited access to government provided services.

South Australian Government funding of government and non-government schools and student enrolment share 2001/2002 by percentage
 (Source: Productivity Commission 2004)



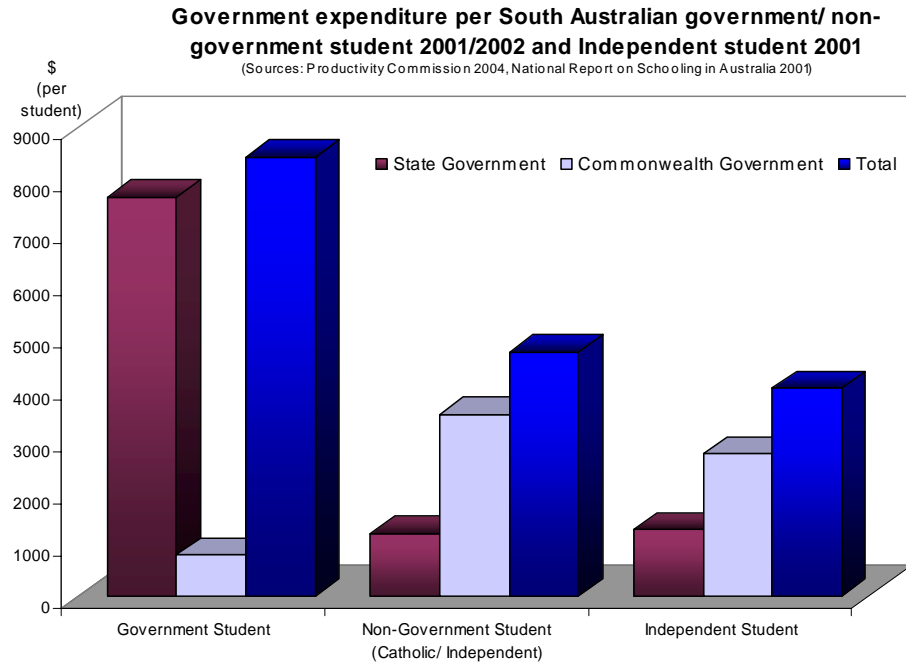
The South Australian model for the funding of non-government schools is based on a basic entitlement (\$501.05 per primary or \$696.46 per secondary student) and a needs component, calculated through an Index of Disadvantage. The Index of Disadvantage is a measurement of the needs of the school and their students.

There is minimal State capital funding for South Australian Independent schools. State funding is provided in the form of interest subsidy with a total of \$250,000 available in 2004 for all Independent schools, the seventh lowest in Australia for state capital works funding for Independent schools. This equates to less than \$7 per student.

4.3.3. Combined Government Expenditure

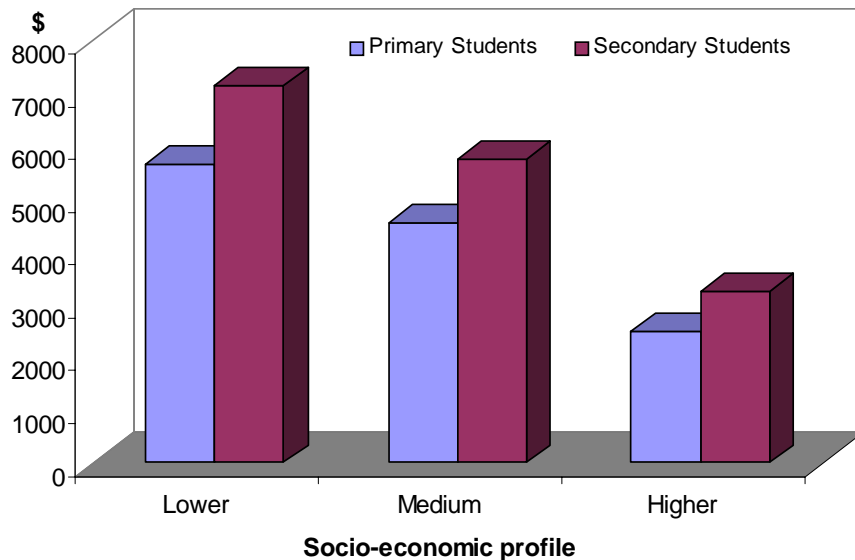
The increase in government funding for non-government schools is directly related to an increase in enrolments, particularly in areas characterised by lower socio-economic conditions.

As the following graph illustrates South Australian non-government students receive significantly less government funding than that allocated per government student in a government school.



Moreover, as the graph below illustrates students in Independent schools serving higher socio-economic communities receive significantly less government funding.

State and Commonwealth Government recurrent grants (per student) for South Australian Independent schools (2003) by socio-economic profile
(Sources: DEST, Advisory Committee on Non-Government Schools in South Australia Report 2003)



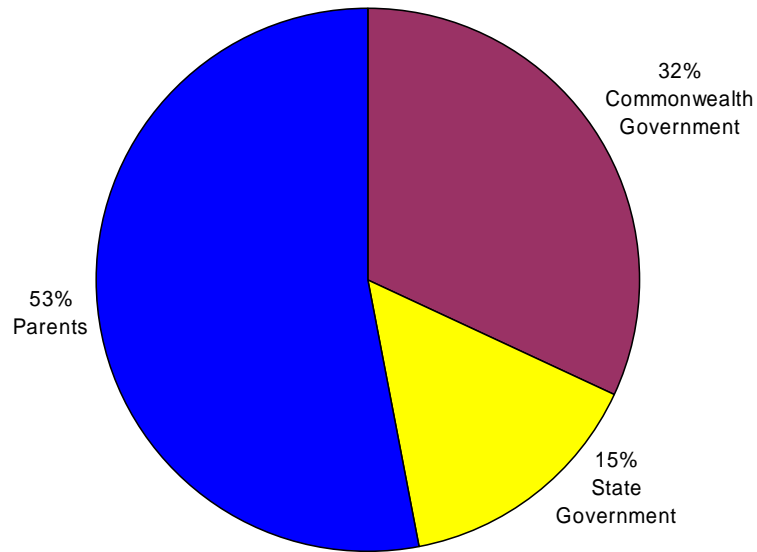
4.4. Parent Contributions

4.4.1. Non-government schools

Parents of students in Independent schools make a significant investment in the education of their children through the payment of school fees,

contributions to building funds and time spent volunteering for a range of activities including working bees and school board membership. In many cases parents are making significant sacrifices to make these contributions.

Parents of South Australian Independent school students pay on average 53% of all total costs (see graph below). In some cases parents contribute over 75% of their school's income in higher fee schools. In lower socio-economic communities families, in general, contribute between 10-20% toward the income of their school. In many schools parents and others in the wider school community contribute most or all of the capital works funding (buildings and equipment).¹¹ As noted above higher fee schools have no access to capital funds for building programs.



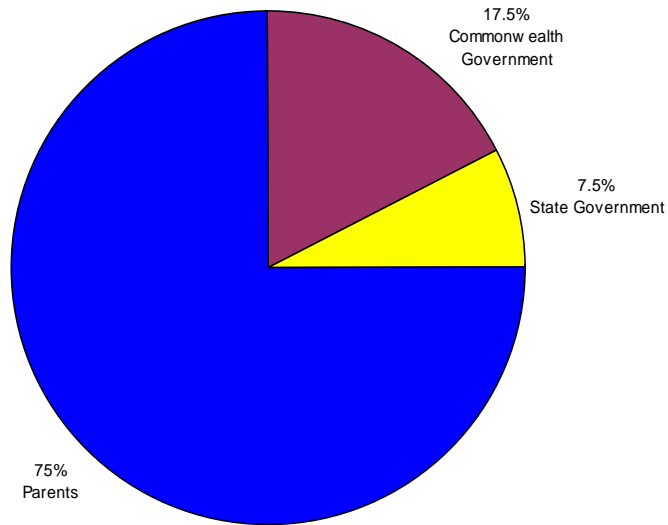
Funding sources for South Australian Independent schools 2001

(Source: National Report on Schooling in Australia 2001)

As the following graph illustrates parents contribute the significant majority of school income in higher fee schools. Hence, students in these schools make significantly less demands on government resources.

¹¹ These figures are drawn from information provided to AISSA by individual member schools.

Funding Sources for a Higher Fee Independent School 2004



Source: Information provided by individual school

The AISSA considers that parents of non-government school students should not be punished through funding arrangements which penalize a willingness to invest in their child’s education. These parents, it needs to be noted, contribute to government funds for education through the taxation system.

4.4.2. Government schools

It is also the case that parents of students in government schools also contribute to the education of their children. A recent report in the Advertiser suggests that the amounts vary between \$200.00 and \$700.00 (June 04). Hence, a school of 1000 students serving a higher socio-economic community and able to charge \$700.00 per students could attract an additional \$700,000.00 in revenue.

According to an article in the Hobart *Mercury*, the recent AEU *State of Our Schools Survey* found that 31% of South Australian government school budgets came from voluntary contributions (quoted in *Mercury* 19/06/04, p7). Hence, government schools are no longer solely publicly funded.

As is the case in the Independent sector, the capacity of parents of government school students to contribute varies according to external factors such as their socio-economic background. For example, more than 50% of students in South Australia from a family income of \$78,000 and over are educated in government schools.

This contribution should be recognised in the analysis of all funding arrangements to schools.

4.5. Transparency and Efficiency of Process

It is essential that school funding processes are transparent. Here it needs to be noted also that the government funding allocations for Independent schools are easily available. For example, SES data for South Australian Independent schools is published on the SES website. State Government funding allocations for non-government schools are also published in the *Report of the Advisory Committee on Non-Government Schools In South Australia*.

The same cannot unfortunately be said for South Australian government schools. There is no public release of data informing the community of the amount of money allocated to individual schools. While there is an assumption that government funding to government schools is allocated on the basis of need, the lack of publicly available data on this funding means that this is difficult to verify.

The fact is more data is available to the community on Independent schools in South Australia than individual government schools.

A key strength of the Independent school sector is that in systems and non-systemic schools the majority of funds for Independent schools in South Australia are allocated to the individual Independent schools. Funding is not, hence, tied up and wasted in large bureaucracies.

In the case of Targeted Program funding, as illustrated above, administration costs for Targeted Programs are stringently monitored. Targeted Program funds are allocated by the SA Targeted Program Authority, along Commonwealth guidelines, on the basis of Equity, Effectiveness and Efficiency. Schools in receipt of the funding must meet the educational and financial accountability requirements of the Commonwealth.

Moreover, it is clear that Independent school students make less of a claim on government resources, theoretically freeing up resources for State/ Territory governments to channel to government school students, and, hence, increasing efficiency.

5.0 EFFECTS ON ENROLMENT TRENDS

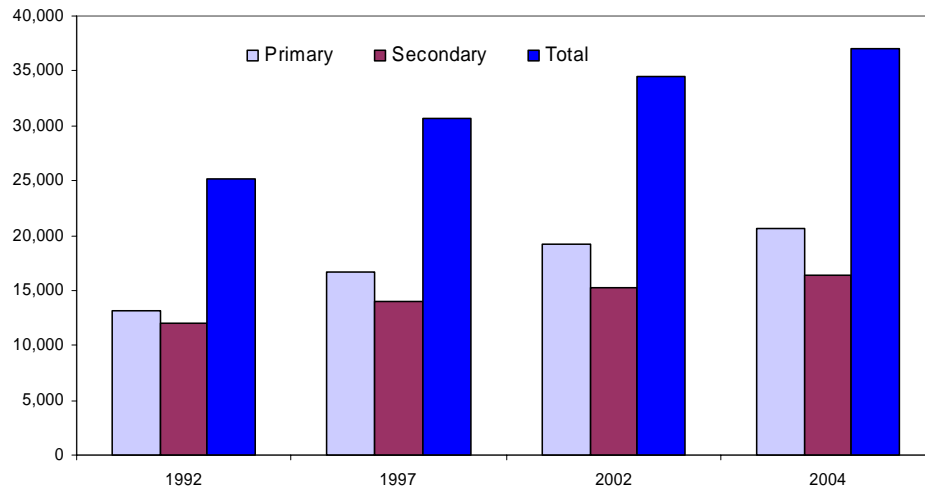
5.1. Growth in Enrolment in Independent Schools

5.1.1. Overview

The Independent school sector in South Australia has experienced significant growth in the numbers of students (see graph below). This growth is part of a long term trend toward non-government schooling, a point that opponents of non-government schools generally underestimate or overlook.

Growth in the number of students in South Australian Independent schools between 1992-2004

(Sources: ABS 2002, Advisory Committee on Non-Government Schools February Census 1997-2004)



It is simplistic, however, to suggest, as the terms of reference imply, that the shift in enrolment toward non-government schools in general, and Independent schools in particular, is a **direct** result of Australian government funding regimes. Government policies have provided the opportunity for more parents from lower socio-economic areas to choose non-government schools. However, the growth has been occurring over the decades regardless of the major political party in government. Most parents choose Independent schools because of their positive qualities not because of deficits in the government school sector. It is the responsibility of the government school sector to determine why parents are prepared to by-pass government schools.

5.2. Choice in Schooling

It is clear that parents of Australian students want choice and diversity in schooling, whether that choice be for a government or non-government school education. Choice and diversity in education improves education outcomes as it focuses schools on providing innovative means to meet the needs of all students.

A recent survey conducted by ISCA found that families choose Independent schools for a variety of reasons including:

- school values
- parental participation
- continuity and stability
- accountability

(Source: national survey conducted by Irving Saulwick and Associates 1998).

The survey further found that parents expect Independent schools to:

- nurture their children
- instil values and self-discipline
- teach their children how to learn
- develop skills and knowledge for future development

(Source: national survey conducted by Irving Saulwick and Associates 1998).

The Independent sector has witnessed an increase in the level of involvement that parents want in the education of their children. Simply put, parents want to be involved in their child's education not dictated to by a larger bureaucracy. Anecdotal evidence provided to the AISSA has also confirmed that parents are choosing, or shifting to, Independent schools in South Australia because they offer parents a higher level of involvement and consultation in the education of their children. Parents report feeling more like essential partners in the education of their children, rather than disempowered about speaking out.

There is no substantive evidence that Independent schools cause division in the community. This is a tired argument which does not add quality to the debate about the funding of schools. Indeed parents indicate they are also attracted to the community focus of Independent schools. Independent students and schools recognise that they are part of a wider community and make significant contributions to that community. For example, in South Australia a number of Independent school students participate in programs such as visiting nursing homes, raise money for charity and are heavily involved in environmental programs.

A number of families have also indicated that they have chosen Independent schools because while diversity and tolerance is articulated in government school policies, the reality they and their children experience on the ground level in these schools is far different. They allege that their religious, or other, beliefs are not recognised or respected and further allege that in many cases their children are subjected to harassment and bullying. Moreover, in many cases government school zoning practices limit the diversity of a government school's socio-economic profile.

It is of course easy to blame the alternate provider or look for simplistic excuses but this will not increase enrolments in the government sector. The AISSA considers it is more appropriate to look at the reasons why parents are making alternative choices and incorporate the best practices of the non-government sector into the government sector.

AISSA is pleased to note the comment from the head of the NSW Department of Education Futures Project that 'public education had to stop "looking over its shoulder at the non-government sector" and set its own course' (SMH 15/6/04 p3). We consider this an appropriate way to move forward.

5.3. Changing Profile

The South Australian Independent school sector has experienced a shift in the socio-economic profile as a result of the growth in enrolment. As noted above, research has illustrated that the greatest growth in non-government school enrolments is occurring in areas characterised by lower socio-economic conditions (ISCA 2003).

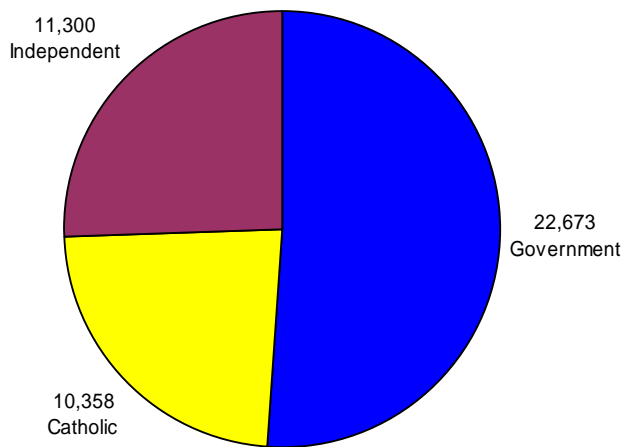
The South Australian Independent school sector has also experienced a significant growth in the numbers of students with disabilities in non-

specialised schools. However, as argued above, the extent to which Independent schools are able to further increase numbers is limited due to the inequitable funding arrangements for students with disabilities in Independent schools.

It needs to be noted that just 25.5% of students from family income ranges of over \$78,000 are in Independent schools. The remaining 74.5% are distributed between the Government (22,673) and Catholic (10,358) sectors. More students from family incomes of \$104,000 and over are also located in the government school sector.

Numbers of South Australian Government, Catholic and Independent Students From Family Income Range \$78,000 and Over in 2001

(Source ABS 2001 Census of Population and Housing)



6.0 EFFECTIVENESS OF ACCOUNTABILITY ARRANGEMENTS

6.1. Overview

Independent schools are highly accountable. They are accountable to students, parents, Commonwealth and State governments, organisations such as the Non-government Schools Registration Board and the wider community.

Indeed, the viability of Independent schools is dependent on stringent accountability measures. A recent survey of member schools, conducted by the AISSA, found for instance that 100% of schools reported Year 3 Benchmark results to parents.

The argument about the effectiveness of the accountability arrangements of schools needs to differentiate between accountability and administration. Excessive administration does not necessarily make a school accountable. Over-administration can, in fact, be counter-productive as it has the potential

to take educators away from their key role of educating students. The Review of Teaching and Teacher Education (2003) *Interim Report: Attracting and Retaining Teachers of Science, Technology and Mathematics* found that 'Considerable teacher time is occupied in attending to a wide range of non-teaching tasks'.

Independent schools are also accountable to the wider community also through compliance with legislation such as the *Disability Discrimination Act 1992*, *Education Act 1973* and the *Children's Protection Act 1993*. Independent schools are further accountable through the National Safe Schools Framework.

6.1.1. Accountability for Targeted Program Funding

The accountability measures for Targeted Program funding provide a useful example of the high level of accountability for Independent schools. Stringent accountability measures are attached to this funding.¹²

The Authority must:

1. Participate in the preparation of the Annual National Report (ANR) on the outcomes of schooling.
2. Provide to the Minister for inclusion in the ANR, a report addressing the requirements for performance information as set out in the Regulations.
3. Provide to the Minister a report (as required) in relation to the Targeted Programmes covered by the Agreement.
4. Participate in evaluations of the outcomes of the Programmes and ensure that individual schools which are recipients of funding covered by the Agreement also take part in such evaluations if requested.
5. Provide to the Minister a report on action taken if the Minister considers that the Authority has not achieved the performance measure and targets as set out in the Regulations.

Financial Accountability

The Authority also provides to the Commonwealth a certificate by a Qualified Accountant stating whether an amount equal to the amount or the sum of the amounts of financial assistance provided under the Agreement and paid for that year have been spent or committed to be spent in respect of that year for the purposes for which it was granted.

6.2. Principles of Effective Accountability

In 2003 the Association of Independent Schools of South Australia released its Educational Accountability Policy Statement. This statement outlines the principles underpinning accountability in the South Australian Independent school sector:

A best practice approach to educational accountability should:

¹² Similar arrangements are in place for other government funding programs.

- recognise the diversity of purposes of school education
- recognise the autonomy of independent schools and systems within the sector in identifying the point of accountability
- provide schools with information to use as tools of evaluation and self improvement
- empower schools to achieve improvements in the quality of teaching and learning through critical self reflection
- equip staff to evaluate the quality of learning in their classrooms so that they do not have to rely solely on external evaluation as a facilitator of change
- provide teaching and assessment procedures that are inclusive of all targeted groups of students
- enhance educational standards not standardisation
- enhance creativity and innovation among school communities
- inform stakeholders about the effective use of public funds
- use measures that are valid indicators of the performance of a school and or students and that have been developed specifically to measure the accountability requirements for the relevant stakeholder
- be based on valid measures of educational outcomes that can be understood by students, staff, parents and the wider community
- accommodate diverse school communities and changing community needs
- encourage diversity in curriculum and educational options for young people
- accommodate systemic and non-systemic schools in relation to administration requirements
- be adequately funded by governments to meet the administration of external assessment and reporting requirements
- measure outcomes over which schools have significant responsibility
- provide data for use by each school rather than for the comparison of schools and sectors and the generation of public league tables
- provide data to governments that can be used to evaluate the effectiveness of educational programs.

The above principles illustrate that the Independent school sector is 'cutting edge' in its form of accountability.

6.3. Effective Accountability Processes

6.3.1. Transparency

A key element to effective accountability, in particular accountability to students and parents, is the establishment of transparent processes. In this context the AISSA has developed policy guidelines in a number of areas. For example the South Australian Targeted Program Authority developed a set of enrolment guidelines for students with disabilities. The AISSA has also developed a Student Protection Resource Kit, to ensure the safety of South Australian Independent students.

As noted above, information regarding government funding allocations to South Australian Independent schools is available in the public domain. We note that the same information is not publicly available from the other sectors. Indeed it is almost impossible to find out the amount of funding dollars allocated to particular government schools.

6.3.2. Evaluation

The AISSA considers that an over-regulatory model has the potential to stifle innovation and creativity. The AISSA supports a model of accountability based on high standards rather than standardization. The South Australian Independent school sector does not support the introduction of 'league tables' which we consider to be an unreliable measure of a schools performance.

Evidence of the overseas experience is sobering. In England, for example, it is expected that schools will fail to meet more than half of 'the targets for improving standards in schools' (quoted in *The Independent* 5/06/04 p18). Moreover, there is a concern that schools will spend more time trying to meet targets than meeting the needs of students.

It is essential that the focus is on improving student outcomes rather than meeting set targets. Accountability for its own sake will provide no benefit to Australia's future.

All accountability measures should be subject to evaluation to ensure that the processes are aimed at improving the educational outcomes of Australian school students. In effect we need accountability for the current accountability arrangements.

The AISSA considers that accountability processes should not place unnecessary administrative burdens on Australian schools and should be continually evaluated to ensure that they lead to improvements in the educational outcomes of Australian students.

7.0 APPLICATION OF THE MCEETYA FRAMEWORK OF PRINCIPLES FOR FUNDING OF SCHOOLS

7.1. Overview

The AISSA supports in principle the need for a national framework. However, AISSA does not support the current MCEETYA Framework.

The AISSA was disappointed that MCEETYA chose not to implement an extensive consultation process with school authorities and school communities before the development of such an important policy document. A consequence is that the document fails to recognise the diversity of schooling in Australia.

7.2. Key Problems with the MCEETYA Framework

There are a number of problems with the MCEETYA Framework. Firstly, the principle of **basic entitlement**, which has underpinned the public funding of non-government schools for the last three decades, is not embedded in any of the five principles or for that matter in the text of the document. The document fails also to acknowledge the differential mix of funding sources between sectors, in particular, the different contributions of State and Commonwealth governments and parents across each school sector. While the document acknowledges the significance of private contributions in ensuring the viability and quality of non-government schooling, it fails to recognise the varying capacity of parents in government schools to contribute to the resourcing of government schools and that this does in fact impact on each school's ability to provide quality schooling in the government sector.

Moreover, the text of the document focuses on government funding for government schooling to achieve access to high quality government schooling. Surely this principle applies to all students regardless of the school sector attended.

While the text recognises the unique needs of government school systems in providing universal access to quality schooling, it fails to recognise that non-government school students also have unique needs because under most circumstances they do not have access to State government infrastructure and services to the extent of government schools. This particularly applies to non-systemic schools that have little infrastructure support beyond the school. Hence, the framework does not recognise the relative weight of different cost factors across sectors and cannot be considered to represent a direction for complementary Commonwealth and State funding as outlined in the preamble of the document.

The principles acknowledge that resources should be adequate for all students to meet the National Goals notwithstanding the school or school sector they attend. The text then proposes to restrict access to public funds for some families that wish to choose a non-government school by suggesting that schools should be viable **before** governments accept responsibility for supporting student needs. In other words families of low socio-economic background should be restricted in their choice of schooling by not having

immediate access to some level public funding. If this proposal was implemented it would simply act as a protectionist New Schools policy.

The terms of reference for the Schools Resourcing Taskforce refers to providing *advice on principles for government funding of schooling to ensure efficient, effective and equitable school provision for all students, based on an understanding of each government's responsibilities to the government and non-government sectors.*

The AISSA membership considers the Taskforce did not achieve this objective through the framework document. The overall impression of the document is that it has been written by government authorities with little understanding of the diversity of the non-government school sector or its resource needs.

8.0 FUTURE FUNDING ARRANGEMENTS FOR AUSTRALIAN SCHOOLS

8.1. The Way Forward

It is essential that future school funding arrangements for Australian schools be based on the principles of entitlement and need. There should be no disincentives for parents to invest in their child's education.

In relation to the funding of non-government schools there should be one model that meets the needs of both systemic and non-systemic non-government schools.

The AISSA considers that there should be no reduction in funding for schools through changed funding arrangements until after the 2005-08 quadrennium. The AISSA believes that the Senate Committee should recommend the passing of the States Grants Legislation in full.

The AISSA would welcome a review of funding arrangements free from ideological limits and outside the constraints of a Federal election. We have no confidence in the outcomes of an Inquiry held in such a politically emotive time.

The AISSA argues that any changes to be made to school funding arrangements as a result of an independent inquiry should incorporate transition arrangements for schools negatively affected by changes so that the education outcomes of students are not impacted on.

The AISSA considers it time we move away from the negative and divisive debate about the funding of Australian schools and work toward and together in improving the outcomes for all Australian students.

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