



Submission from the Association of Independent Schools of NSW

**Senate Education and Employment Legislation Committee
Inquiry into the Australian Education Amendment Bill 2017**

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The Association of Independent Schools of New South Wales Limited

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Inquiry into the Australian Education Amendment Bill 2017

Submission from the Association of Independent Schools of New South
Wales (AISNSW) Ltd

This submission has been prepared by the Association of Independent Schools of NSW (AISNSW) in
its role as the peak body representing the diverse range of independent schools in New South Wales.

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The AISNSW will be pleased to elaborate on any aspects of this submission as required.

Yours sincerely,

Dr Geoff Newcombe

Chief Executive

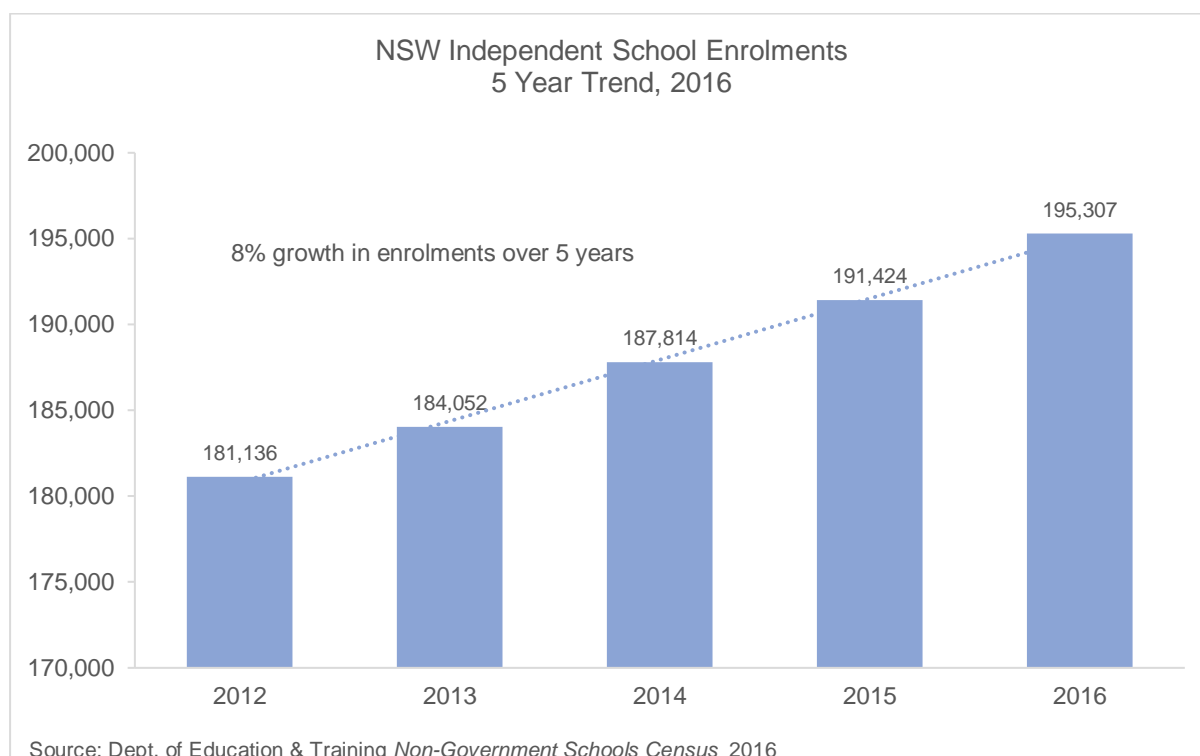
AISNSW response to the Australian Education Amendment Bill 2017

Introduction

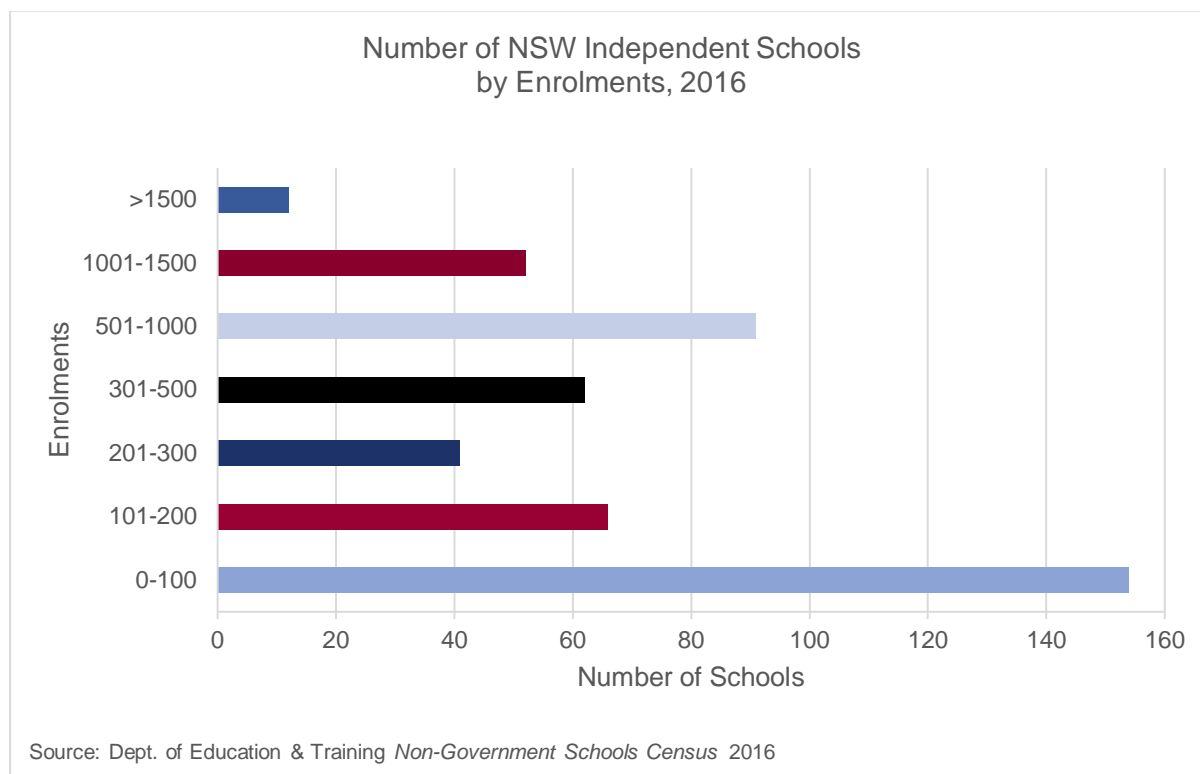
The Association of Independent Schools of New South Wales (AISNSW)

The AISNSW is the peak body representing the independent schools sector in this State. The AISNSW represents more than 478 schools and campuses, enrolling more than 195,000 students and accounting for some 16% of NSW school enrolments.

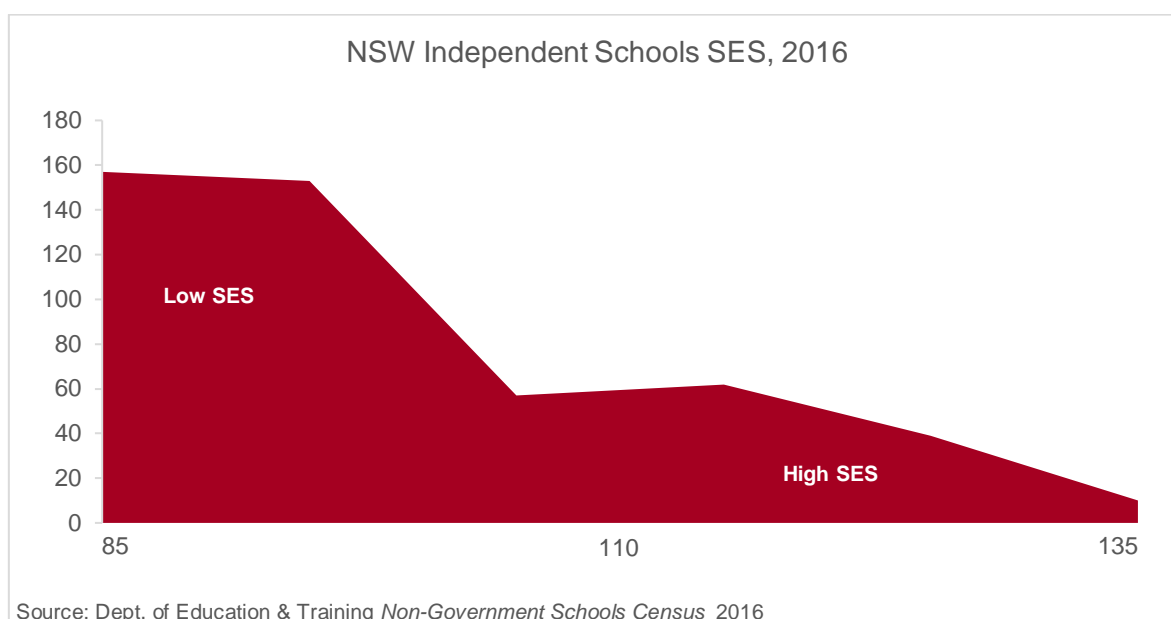
In the last five years, enrolments in the NSW independent schools sector have grown by 8 per cent. This rate of enrolment growth has been a consistent trend in the sector for more than twenty years, with most of this growth attributable to a significant increase in the number of low fee independent schools.



Many independent schools are small with almost half enrolling fewer than 200 students, and approximately one-third enrolling fewer than 100 students.

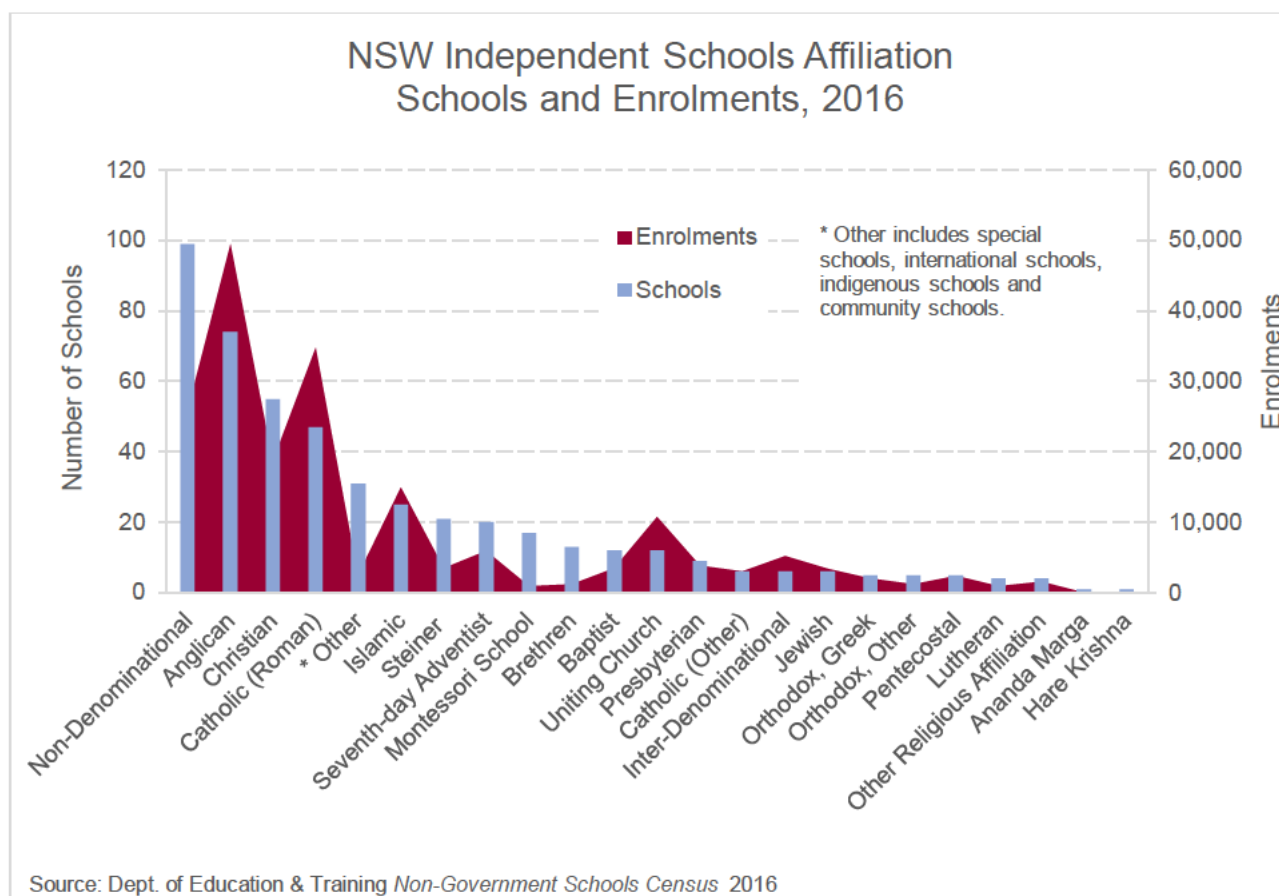


Independent schools are a diverse group of non-government schools serving a wide range of communities throughout NSW. It is not well understood that two-thirds (65%) of independent schools in NSW have a socioeconomic status (SES) score in the lower half of the SES distribution range, with 48% of all students in the sector enrolled in these schools.



Many independent schools provide a religious or values-based education. Others promote a particular educational philosophy or interpretation of mainstream education. Independent schools include:

- Schools affiliated with Christian denominations, such as Anglican, Catholic, Greek Orthodox, Lutheran, Presbyterian, Seventh-day Adventist and Uniting Church schools
- Non-denominational Christian schools
- Islamic schools
- Jewish schools
- Montessori schools
- Rudolf Steiner schools
- Schools constituted under specific Acts of Parliament, such as Grammar schools
- Community schools
- Schools that specialise in meeting the needs of students with disabilities and students at risk.



Independent schools are not-for-profit institutions founded by religious or other groups in the community and are registered with the regulatory authority, the NSW Education Standards Authority. Most independent schools are set up and governed independently on an individual school basis. However, some independent schools with common aims and educational philosophies are governed and administered as systems, for example those within the Anglican Schools Corporation and Seventh-day Adventist systems.

General Comments

The AISNSW supports the introduction of a fair and equitable needs-based, sector-blind funding model. The *Australian Education Amendment Bill 2017* sets out a number of changes which will refine and improve how non-government schools in New South Wales are funded, increasing the level of transparency and consistency of the funding arrangements which will benefit independent schools and the communities they serve, as well as the broader Australian community. Other proposed adjustments supported by the AISNSW the intention for all schools to be treated consistently whether stand-alone schools or part of a school system, changes to the capacity to contribute parameters and increased granularity and transparency of funding for students with disability. Many of these adjustments reflect recommendations made in the *Review of Funding for Schooling* chaired by David Gonski AM, and the AISNSW welcomes the appointment of Mr Gonski to undertake *the Review to Achieve Educational Excellence in Australian Schools*.

Significant details of how schools will be funded from 1 January 2018 are not in the Bill but are instead in forthcoming Regulations. Such details include those in 69B- Transition adjustment funding. It is essential that where independent school communities are adversely affected by the timing of the changes to the funding model, they are supported appropriately. In cases where financial hardship may impact on a school, the AISNSW strongly advocates that those schools be able to access the Transition Assistance Fund announced as part of the new funding arrangements. It is critical that schools be able to maintain the standard of education services expected by their students and their communities and, where there is undue financial hardship, there should be scope within the legislation or Regulations for the transition period of 10 years to be extended, potentially at the discretion of the Minister or his/her delegate as deemed appropriate.

The AISNSW looks forward to being provided with more details of the Transition Adjustment Fund to better understand the possible benefits the Fund may have for independent schools in New South Wales.

The AISNSW also supports the submission prepared by the Independent Schools Council of Australia, and endorses the content of that submission.

The need for a fair and equitable needs-based, sector blind funding model

It is essential that all schools are funded according to a fair and equitable needs-based, sector blind model. Such a model meets community expectations, and will support the focus of dialogue in the schooling context on the outcomes of schooling.

The AISNSW supports those changes to the current funding model which will result in stand-alone independent schools receiving the same level of Commonwealth funding as similar schools which are part of a system.

The amendments to Section 36 that will see the capacity to contribute percentages for primary schools revised are also supported. It was an anomaly of the current system that primary students in some areas received more funding than secondary students in areas of equivalent disadvantage.

It is essential that all schools have a reasonable degree of certainty around their future funding levels. This is particularly important for stand-alone independent schools or small systems which may not have the capacity to adjust to significant year to year variations in funding. For this reason the use of a 3% floor on indexation is welcomed, particularly as recent trends using a combination of the Consumer Price Index and Wage Price Index have produced a level of indexation significantly below this rate.

Support for all students with disability

The *Review of Funding for Schooling* recommended that all students with disability receive a fully publicly funded entitlement, regardless of their sector. Under the current funding arrangements there are 87 independent schools in New South Wales, some with an SES lower than 90, which receive no additional funding for new students with disability. The AISNSW welcomes those amendments which will address this issue.

The amendments proposed will introduce a differential loading for students with disability according to the level of educational adjustment required, as identified in the Nationally Consistent Collection of Data for Students with Disability (NCCD). These different levels of adjustment (Supplementary, Substantial, and Extensive) will provide differing levels of funding. This loading will be applied equally to students in all school sectors. The AISNSW supports the intent of the amendment, although it continues to have reservations about the accuracy of the NCCD data at this point in time, and its suitability for funding purposes.

The position of the AISNSW is that, at this point, data from the NCCD is not of sufficient quality to be used for school-level funding decisions. This position is informed by evidence from the recently published *2016 NCCD Continuous Quality Improvement Project Report*, which could not recommend with statistical confidence the utilisation of the data at the school level. Unlike funding systems, independent schools do not have the capacity to re-allocate funding across a number of schools to address issues with the quality of the NCCD.

The refinement of the NCCD is an ongoing process which the AISNSW strongly supports. The *2016 NCCD Continuous Quality Improvement Project Report* indicates that only 33% of respondents in New South Wales were able to demonstrate a comprehensive understanding and application of the NCCD. Exploration of alignment between PwC assessment and school judgement through sampled case studies indicates that there was a substantial amount of misalignment across the four levels of support (the three levels proposed to be funded, as well as the unfunded level of Quality Differentiated Teaching Practice), including 27% of students assessed by teachers at the unfunded

level being subsequently judged by PwC assessors as requiring supplementary or substantial adjustment (levels which would receive funding under the revised Students with Disability loadings).

An additional ongoing issue for all schools will be that the loading does not take into account those capital costs incurred by schools in order to make adjustments.

Nevertheless, despite these concerns the AISNSW strongly supports the original *Review of Funding for Schooling* recommendation that children with disability should attract the same level of funding support irrespective of the school or sector they attend and the perceived circumstances of the school or local community - this is truly sector-blind and needs based.

Indexation of Capital Funding

Indexation of non-government capital funding to take account of student numbers is welcomed. Every year since 2010, enrolments in NSW independent schools have grown by between approximately 3000 and 4000 students.

This growth is projected to continue into the future, with modelling commissioned by the AISNSW indicating that by 2031 there will be demand for approximately 60,000-80,000 additional students, with 70% of these additional students projected to access independent schools in lower SES areas.

While parents continue to provide significant support for infrastructure development in the independent schools sector, in lower SES communities the capacity of parents to provide this support is very low. If governments are to continue to provide choice of schooling to parents in these areas, then significant additional government capital funding needs to be provided.

AISNSW acknowledges that this change in the indexation of capital funding is accompanied by an increase to the Australian Government's existing investment by \$300 million over 10 years.

Transparency of funding arrangements

Transparency and clarity are essential elements of any school funding model. It is the right of the broader Australian community to know an individual school's government funding entitlement and the actual amount of government funding level received by that school. The AISNSW welcomes those provisions in the amendments which aim to improve transparency, including those related to the publication of school funding entitlements.

It is essential that individual schools be able to understand and predict their future funding in order to plan appropriately. Schools generally undertake short, medium, and long-term planning, with clear and predictable funding arrangements an essential part of this planning process. Ongoing refinements, including the removal of the categories of 'participating' and 'non-participating' schools contribute to improved clarity.

Conclusion

The support from independent schools in New South Wales for a fair and equitable, needs-based, sector blind funding model has been overwhelming. The new model needs to remove the current inequity of funding for like-schools being dependent on their system or stand-alone status and it also needs to address the situation where students in primary schools can receive higher per-capita funding than those in secondary schools in a particular SES range. It is critical that the new model implement the original *Review of Funding for Schooling* recommendation that funding for students with disability be sector-blind. The transition adjustment fund must have adequate resources to assist school communities experiencing genuine financial hardship during the school's transition period.