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Committee Secretary
Senate Education and Employment Committees
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Parliament House
Canberra ACT 2600

IST SUBMISSION TO SENATE EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE – INQUIRY INTO THE AUSTRALIAN EDUCATION AMENDMENT BILL 2017

Independent Schools Tasmania (IST) welcomes the opportunity to present this submission to the Inquiry into the Australian Education Amendment Bill 2017.

IST is the peak state body serving the independent schooling sector of Tasmania through representation, advocacy and support, guided by the following core values:

- Equal opportunities for all Tasmanian students
- Freedom of choice in schooling for all Tasmanian families
- Diversity in education to support the needs of each individual student
- Independence for individual schools
- Excellence – providing quality services to members
- Equity – serving all students and schools equally well
- Passion and commitment to supporting independent schools
- Efficiency in delivering services
- Commitment to local, national and global collaboration in education

The Association comprises all Tasmanian independent schools and it is a member association of the Independent Schools Council of Australia (ISCA).

ABOUT INDEPENDENT SCHOOLS IN TASMANIA

There are 29 independent schools in Tasmania educating 11.5% of the State's school students. The share of secondary students at independent schools in 2016 was 14% and was significantly higher for Years 11 and 12.

The independent schools sector encompasses considerable diversity in size, location, mix of students and fees charged. Only four Tasmanian independent schools have SES scores of 110 or more, with half the remainder clustered around SES 100 and half in the SES range 85 to 96.

In 2017, three Tasmanian independent schools are being funded on their SRS and all others are below SRS.

Independent schools cater to specific groups of disadvantaged students including high needs students with disability attending special and mainstream schools.

The numbers of disadvantaged students in Tasmanian independent schools, including students with disability and students with a language background other than English, have been increasing at a higher rate than overall sector enrolments for a number of years.

Independent schools are significant contributors to the Tasmanian economy, employing 1,363 full time equivalent (FTE) teaching and non-teaching staff in 2016.

Tasmanian parent contributions to the recurrent costs of schooling in independent schools are estimated to save more than \$72 million in government education expenditure.

Diversity of schooling options reinforces the responsibility of parents to educate their children, and their right to an active role in determining the kind of education their children receive.

No single system, no single school and no single teaching practice will meet the individual needs of every student. If young Tasmanians are to achieve to the best of their ability then we need diversity in schooling options and parents need the freedom and financial support to choose among them.

Independent schools offer the choice for young Tasmanians to be educated in schools that express the cultural and religious plurality of our society or espouse specific educational philosophies.

While each Tasmanian independent school is characterised by a unique ethos, each also contributes actively to the overarching public goals for schooling in Australia.

Along with other Australian schools, Tasmanian independent schools must participate in the *National Assessment Program*, implement the Australian Curriculum, ascribe to national values, publicly report school and student performance data and fully participate in national education initiatives such as the *MySchool* website and the outcomes and targets set out in National Education Agreements and those to be identified by the '*Review to Achieve Educational Excellence in Australian Schools*'.

Tasmanian independent schools are publicly accountable for all their operations. They must meet state registration and curriculum requirements, submit audited financial data to government and other authorities, and meet all government regulations covering issues such as child protection, health and safety and employment practices.

OVERVIEW OF IST SUBMISSION

Although Tasmanian schools will receive less funding in 2018 and 2019 than they would if the so-called Gonski model introduced by Labor was continued, IST recognises that the amendments deliver certainty of funding and indexation commensurate with schooling cost changes. IST therefore supports the proposed legislation. This submission provides comment on the specific amendments.

IST welcomes the differentiation of loadings for students with disabilities into supplementary, substantial and extensive categories of need. The proposed increased loadings for students requiring extensive adjustment are urgently needed.

IST is pleased that the Government recognises concerns that have been raised about allocating funding at the individual school level for students who attract the highest two levels of assistance.

IST submits that provision of the loading for those students through AISs would enable more precise allocation, monitoring and accountability of this funding as well as more timely and flexible response to new enrolments of high needs students and their movement between schools.

IST strongly opposes the 30% cut in funding to bodies representing independent schools (AISs) announced in the 2017-18 Budget. This would severely impact the ability of small AISs such as IST to support schools to implement the education reforms that are of national importance for student outcomes and to be identified by the *“Review to Achieve Educational Excellence in Australian Schools”*.

EDUCATION ACT AMENDMENTS

Recalculation of primary and secondary SRS amounts

The updated SRS amounts have been calculated using the same methodology used to calculate the original amounts and is therefore consistent with the intention to review the SRS amounts periodically. IST supports this change.

Indexation of SRS amounts

The current legislation specifies three rates of indexation – 3% for schools ‘above SRS’, 3.6% for schools ‘on SRS’ and 4.7% for schools ‘below SRS’. Under the proposed changes there is only one indexation rate for the SRS – 3.56% from 2018 to 2021 and then indexation moves to a floating measure of 75% Wage Price Index and 25% Consumer Price Index with a floor of 3%.

The indexation applicable to the majority of independent schools in Tasmania while they remain ‘below SRS’ will be reduced by the proposed changes. IST is concerned that the changes will slow the transition toward SRS for these schools but recognises that the proposed indexation rates are consistent with school cost increases.

Commonwealth share and transition arrangements

The proposed amendments would see the Commonwealth share of SRS for Tasmanian independent schools increase from 69.1% in 2017 to 80% by 2027. It is to be expected that the State share of SRS would move to 20% by 2027. IST supports the intention of the Commonwealth to fund all schools at consistent shares of the new SRS.

The combined Commonwealth / State target for funding in the agreement established by the Labor Federal government with Tasmania was 94% of SRS by 2019. The amendments provide a full transition to 100% of SRS by 2027. IST supports the full transition albeit over a longer time period.

IST supports the introduction of smooth and definite arrangements for all schools to transition to funding on an equal basis within the same timeframe, accompanied by the provision of a Transition Adjustment Fund to assist vulnerable schools adversely affected by the changes to the funding model.

Changes to the ‘Capacity to Contribute’ line

The ‘Capacity to Contribute’ settings for the SRS funding model are based on the same measure of socio-economic status (SES) used for the previous SES funding model which was in place for over a decade. The SES measure itself was generally seen to be a simple and transparent way to fund schools equitably based on the socio-economic status of the families of the students that attend each school.

A significant change was made however with the implementation of the SRS Funding model with the introduction of a 'curve' to the primary CTC line. The curve significantly increased the per student funding of primary students at schools within an SES range of 100 to 124. Schools between SES 108 and 122 actually received a per capita amount for primary students that was higher than the per capita amount for secondary students.

In IST's view there is no rationale for having a funding formula which results in primary students receiving higher per capita amount than secondary students in the same SES band. IST supports the proposed changes to ensure that such a scenario is no longer possible.

SES for systems

The current SRS funding model allowed school systems to utilise a student weighted average SES score for the entire system. This meant that rather than each school's CTC being measured on their own SES score, the SES score for the system was set at the student-weighted average SES score and all schools had the same CTC percentage. Where this was not financially beneficial to systems, they could choose to stay with schools' individual SES scores being used to calculate CTC for the system.

The use of a student weighted average SES score in some systems did deliver a funding advantage to those systems through attracting additional funding to schools with higher SES scores within a system. IST agrees that the removal of the student weighted average SES for systems is a positive step toward creating a level playing field for all non-government schools.

IST notes that the change does not remove the ability of systems to redistribute funding between their systemic schools and to meet the cost of centralised system resources.

Loadings for students with disability

IST welcomes the differentiation of loadings for students with disabilities into supplementary, substantial and extensive categories of need. The proposed increased loadings for students requiring extensive adjustment are urgently needed.

The proposed differential loadings expressed as a percentage of SRS are:

- Supplementary (42% primary and 33% secondary)
- Substantial (146% primary and 116% secondary)
- Extensive (312% primary and 248% secondary)

It is IST's understanding that the primary percentages are higher than the secondary to bring the total amounts in to alignment when multiplied by the primary and secondary SRS amounts i.e. the loading amounts will be similar regardless of whether the student is a primary student or a secondary student.

IST is pleased that the Government recognises concerns that have been raised about allocating funding at the individual school level for students who attract the two higher levels of assistance ie substantial and extensive.

Within the same category the resource needs for individual students with disability can vary greatly. While systems can redistribute funding to account for these differences, non-systemic independent schools cannot.

IST recommends that for independent school students in the substantial and extensive categories, a base loading equivalent to the supplementary loading is provided within the funding model direct to schools and that the additional loadings be administered outside the model by state based Associations of Independent Schools (AISs).

IST submits that provision of funding for those students through AISs would provide:

- more precise allocation that recognizes individual need;
- more timely and flexible response to new enrolments of high needs students and their movement between schools;
- capacity to achieve economies of scale in accessing support services and resources;
- greater assurance that funding is used specifically to support students with disability;
- better transparency, accountability and reporting to government on use of funds.

This approach would also mitigate concerns about NCCD not being sufficiently robust at the school level.

In the decade prior to 2014, funding for students with disability through the Commonwealth's Targeted Program was administered successfully through AISs to the satisfaction of all stakeholders.

Funding for state-based non-government representative bodies

The 2017-18 Federal Budget included the provision of \$125 million over five years to state-based non-government representative bodies to support implementation of national and state reforms in all non-government schools. Presumably, this is intended to be included in amendments to the *Australian Education Regulation 2013*.

Based on information provided about the allocation of that funding, IST would receive no more than \$448,000 pa with no indexation for the next five years. Under the current Memorandum of Understanding with the Australian Government, IST was to receive funding of \$640,000 in each of six years from 2014 to 2019.

The budget announcement therefore represents a cut of 30% in funding to bodies representing independent schools (AISs). This severely impacts the ability of small AISs such as IST to support schools to implement the education reforms that are of national importance for student outcomes and to be identified by the *'Review to Achieve Educational Excellence in Australian Schools'*.

IST believes that its Student First Support Funding Annual Plans and Reports submitted to the Department of Education and Training and the independent review of that program all clearly demonstrate that services from IST provide support for education reform programs and initiatives that cannot be efficiently and effectively implemented by smaller independent schools individually. Unlike systems, IST is unable to access student recurrent funding for this purpose.

IST recommends that the Government maintains the 2017 funding levels to AISs plus reasonable indexation for the next five years.

IST
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