

Independent Schools Council of Australia

Submission

**Review of Funding for Schooling -
Response to Commissioned Research**

30 September 2011



**Independent Schools
Council of Australia**

INTRODUCTION

About ISCA

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

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

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

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

KEY POINTS

- The Review of Funding for Schooling is of critical importance for the independent sector. There is broad agreement within the sector regarding the preferred outcomes of the Review and the characteristics of an appropriate funding model for schools. These are dealt with extensively in the Independent Schools Council of Australia's (ISCA's) major submission to the Review in March 2011 and summarised in the Background Section of this submission.
- ISCA acknowledges the importance of the Review being informed by research and analysis. While some of the research reports were based on appropriate research methodologies and consultation, it is regrettable that the standard of the research was not consistent across all four reports.
- *The Feasibility of a National Schooling Recurrent Resource Standard Report* prepared by the Allen Consulting Group is a significant Report for the independent sector as it concludes that it is possible to design an appropriate national schooling recurrent resource standard (NSRRS) model and recommends that a NSRRS could be used by the Australian Government to guide its contribution to both government and non-government school funding.
- The independent sector considers that the Allen Report significantly understates the difficulties of developing a NSRRS and more significantly does not address how a NSRRS would be implemented, leaving key questions unanswered.
- Without being able to determine and assess the impact of any changes on independent schools, it is difficult for the sector to make any judgements about the efficacy or viability of a NSRRS. A far greater level of detail regarding implementation needs to be provided before the sector can make an informed assessment of this funding approach.

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BACKGROUND

The primary purpose of this submission is to respond to the Review of Funding for Schooling Paper on Commissioned Research and associated research reports. While the independent sector recognises the role of the research reports in informing the Review process, the sector also considers that it is important to remain focussed on the key purpose of the Review which is to develop an appropriate funding model for schooling in Australia. In its major submission to the Review in March 2011, the independent sector highlighted its key outcomes of the Review.

The Review of Funding for Schooling is of critical importance for the independent sector and within the sector there is agreement on the key outcomes of the Review. These key outcomes are summarised below:

- No independent school or student should receive less funding in real terms;
- The value of recurrent, capital and targeted grants should be maintained in real terms by appropriate indexation;
- The direct funding relationship between the Australian Government and independent schools for recurrent funding is highly valued;
- The Associations of Independent Schools and Block Grant Authorities have proved to be efficient and effective administrators of Australian Government targeted and capital funding;
- The impact of future enrolment growth will be a significant policy issue for governments in terms of both recurrent costs and capital infrastructure. Supporting the contribution of independent schools as partners with government in meeting the demands of future enrolment growth is critical;
- The lack of adequate funding for disadvantaged students, including students with disabilities, indigenous, rural and remote, language background other than English and educationally disengaged students, must be addressed in the Review. Students needing additional support should not be further disadvantaged because their parents have chosen an independent school.

The independent schooling sector considers that any proposed changes should be measured according to the following criteria for assessing funding models.

Equity – Per student funding for schools serving communities with similar attributes should generally be comparable.

Incentive – The funding arrangement should support students in a way that encourages, not discourages, parental investment in schooling.

Flexibility – Schools should not be locked into a particular funding level that impedes them from responding to changes in their school community.

Transparency – Assessment of need should be based on reliable and transparent data.

Simplicity – The funding arrangements should be simple to administer, with low administration costs for government and low compliance costs for schools.

Predictability – Schools should have a high degree of certainty about future funding to facilitate financial planning and management.

Consistency - Funding arrangements should apply consistently to all schools across the non-government sector regardless of organisational arrangement.

Student-based - The independent sector supports a student-based approach to assessing need for the purposes of a school funding model. A student-based methodology which relies on robust data regarding student characteristics provides an effective and transparent means to determine the resourcing needs of individual schools.

Robust data – Any funding model must rely on reliable, robust, up-to-date data that cannot be subject to manipulation or interpretation. The current socio-economic status (SES) funding model relies on Australian Bureau of Statistics (ABS) census collection data which has been collected under controlled and consistent conditions, thereby meeting the criterion of being robust. In contrast, data collected by schools from parents at the time of enrolment is not considered to be robust. These data are incomplete, open to interpretation at the collection source, not collected under confidential conditions and are therefore lacking rigor and manifestly out of date. These data would not be considered as being robust for the purposes of determining need.

Appeals processes – Any funding model may produce anomalous outcomes for schools in the application of funding mechanisms. There should be a formalised appeals process for any school that believes it needs special consideration.

Transitional arrangements – Changes to funding arrangements should incorporate appropriate transitional arrangements. To ensure an equitable transition to any new funding model, there must be minimal impact on individual schools and their operations.

COMMISSIONED RESEARCH REPORTS - OVERVIEW

On 31 August 2011, the Review of Funding for Schooling released its Paper on Commissioned Research which accompanied the release of four research reports commissioned by the Review Panel. The Paper provides a brief description of the reports and the research questions. The four research reports are:

- Feasibility of a National Schooling Recurrent Resource Standard – The Allen Consulting Group;
- Assessing existing funding models for schooling in Australia – Deloitte Access Economics;
- Schooling Challenges and Opportunities – Nous Group; and
- Assessment of current process for targeting of schools funding to disadvantaged students – Australian Council for Educational Research.

The Review Panel is seeking public comment through a submission process. The Panel is interested in comments on how any funding approach suggested by the research reports might impact on the future provision of schooling in Australia. Further, the Panel has stated that comments and reactions to the research reports will help shape their deliberations by providing a valuable indication of whether the research presents a viable way forward in addressing the Panel's terms of reference.

In response to this request from the Review Panel, ISCA has outlined below in respect of each research report, an assessment of both the impact of the recommendations and feasibility of the recommendations. Comment is also provided on the overall approach of the reports and the quality of the data and analysis undertaken, including addressing any errors, omissions and misconceptions which appear. Whilst reflecting the views of the independent sector specifically, this submission seeks to also provide a broad analysis of the findings of the reports.

PAPER 1: Feasibility of a National Schooling Recurrent Resource Standard – The Allen Consulting Group

Overview

This report examines the feasibility of a schooling resource standard and concludes that it is possible to design an appropriate national schooling recurrent resource standard (NSRRS) model. This assessment is based on the conclusion that it is possible to define and apply outcome standards from school-level data and estimate a NSRRS based on current financial data for reference schools. It also proposes that certain loadings be applied to a NSRRS based on school characteristics and student-based characteristics.

The Allen Consulting Group (Allen) Report provides a wide-ranging examination of the issues for consideration of a resource standard in the Australian education context. In preparing the Report, the Allen Group have consulted broadly and examined relevant international and local evidence and sought to provide a balanced assessment of options based on the information available.

The analysis undertaken in the Allen Report takes into account: the historical legacy of previous funding arrangements; the differences in funding responsibilities between federal and state/territory governments; the differing funding arrangements across sectors; and the lack of appropriately consistent and comparable data.

In summary, the Report reaches the following conclusions:

- it is possible to design an appropriate NSRRS model;
- it is possible to define and apply outcomes from school-level data on a limited basis, with supplementary validation activities required to validate the selection of reference schools;
- it will be possible to estimate a NSRRS, based on current financial data for reference schools;
- it will be possible to estimate loadings to be applied to a NSRRS, where there are sufficient reference schools of certain characteristics.

The independent sector makes the following observations in respect of these conclusions. The Allen Report significantly understates the difficulties in developing a NSRRS. In particular the Report does not take account of the challenges of agreeing outcomes, identifying appropriate reference schools or agreeing on efficient costs and appropriate loadings.

Further, the Report concludes that data issues for their preferred methodology are largely resolved. However, as this submission will outline in detail, there are significant issues relating to the consistency, robustness and appropriateness of all the data associated with loadings. The independent sector does not consider that the data sources proposed by Allen Report are sufficiently robust to be the basis of a high stakes funding model at this time and use of such data sources would undermine the credibility of any model derived from these data.

Critically, the Report stops at the point of implementation, leaving the most difficult questions unanswered. The Report mentions several ways in which a standard might be used, but does not make any recommendations about how the standard should be linked to funding, who

specifically would have carriage of implementation, how differentials in levels of federal and state/territory funding would be addressed and how to treat private income.

The feasibility of *implementing* a NSRRS model is not specifically part of the terms of reference of the Report. However, ISCA considers that part of the examination of whether a NSRRS is 'appropriate' should be whether it is possible to implement.

Any examination of feasibility must also give consideration to the impact on individual schools. The lack of robust, nationally agreed, consistent data combined with the lack of detail in the Report regarding implementation, renders it impossible to assess the impact on individual independent schools. Without being able to determine and assess the impact of any changes on independent schools it is difficult for the sector to make any judgements about the efficacy or viability of a NSRRS.

The Independent Schools Council of Australia's (ISCA) initial submission to the Review of Funding for Schooling included a list of agreed criteria for assessing funding models. A copy of these criteria is provided again in the Background section of this submission. The NSRRS as outlined in the Allen Report has been compared against these agreed funding principles. Due to the lack of detail regarding actual implementation alluded to previously, it is difficult to provide an assessment with any certainty. However, based on available information, the NSRRS could not be considered as definitively meeting ISCA's funding principles.

The Report also notes that if development and implementation of the NSRRS was to take longer than two years, it is unlikely to survive the usual policy implementation and political cycle. This timeline alone would present serious challenges because of the need to take into account the range of difficulties alluded to above including resolution of data issues and agreement of significant aspects of a NSRRS including outcomes, efficient costs, modelling of options and the myriad of unaddressed, threshold implementation issues. For reference purposes it is useful to note that the development of the current SES non-government schools funding arrangements took around five years from initial research work, through modelling, consultation, legislation and eventual implementation.

The lack of detail in the Allen Report regarding how a NSRRS would work if applied to school funding means that the independent sector is unable to reach firm conclusions about how this funding approach might impact on the future provision of schooling in Australia. A far greater level of detail regarding implementation needs to be provided before the sector can make an informed assessment of this funding approach. The Panel should also note that this lack of detail surrounding implementation and the consequential difficulty in assessing the impact of such an approach on individual independent schools has been the cause of growing disquiet within the sector.

Comment

Comment is now provided on several aspects of the Report. These are divided into:

- (a) the practical constraints which would limit the development and implementation of a NSRRS at the current time; and
- (b) discussion of the broader implications of the preferred model which emerge from the paper or are left unresolved by the paper.

a) The practical constraints which would limit the development and implementation of a NSRRS at the current time

As noted above, one of the key issues calling into question the feasibility of a NSRRS model is the lack of nationally consistent and sufficiently rigorous data.

The report relies heavily on *My School* financial data and *My School* data for SES status and LBOTE status. While it is acknowledged that the quality of *My School* data may improve over time, the independent sector believes that the quality of *My School* data is not currently at a level of rigor that would justify its use as the basis for the development of a high stakes NSRRS.

Financial data

The Report notes that the financial data on the *My School* website ‘largely addresses’ the need for comparable financial data. This statement makes the problematic assumption that the *My School* data is currently suitably comparable. The financial data currently available on the *My School* website represents a first attempt at presenting school financial information across all three schooling sectors. Not only do there remain a number of formally documented material limitations which have been identified as affecting the comparability of *My School* financial data, it is widely acknowledged that there continues to be a significant lack of consistency in the presentation of data across sectors. The *My School* financial data for each jurisdiction includes several pages of financial limitations and the financial data page for each school states “Caution should be taken in using the information presented below when making direct funding comparisons between schools. The financial resources available to schools are directly influenced by the nature of the school (including its location and profile), its programs and its operations”. ISCA believes that the quality of *My School* financial data will need to improve significantly before it could be used as the basis for any high-stakes funding model.

A further issue relating to financial data is the recommendation in the Report that system-level costs be excluded from consideration and only school-level costs be taken into account. While there may be sound reasons for this recommendation, it ignores the fact that the costs of services covered by bureaucracies in education systems are met by those systems, while in independent schools the costs of those services provided by systems to systemic schools must be met by the school itself at the individual school level. These costs are reflected in independent school resource levels on *My School*.

Further complicating this situation is that in an attempt to present some level of cross-sectoral consistency, *My School* seeks to attribute systemic costs in government and Catholic (and systemic independent schools) to individual schools. Were this recommendation from the Allen Report to proceed to implementation, then these systemic costs would need to be removed from government and Catholic financial data on *My School*. Then in order to maintain some level of consistency, an estimate of similar costs would need to be determined for independent schools and then removed from their *My School* financial data as well. It is considered that this task, as well as being significant in terms of time and expertise, would also significantly further compromise the validity of *My School* financial data.

The Report notes the difficulties in including capital funding in a resource standard. A key outcome from the Review of Funding for Schooling for independent schools is the funding of future capital development. The future enrolment-driven capital demands on independent schools will not be able to be achieved without additional government assistance. A clear

indication of future funding arrangements for capital is a key outcome sought from the Review of Funding for Schooling from the independent schools sector.

Low SES

The Allen Report recommends the use of ACARA ICSEA data to measure low SES. There are a number of significant problems with this recommendation. The Index of Community Socio-educational Advantage (ICSEA) was developed by ACARA for the purposes of identifying schools serving similar student populations. ICSEA is not a measure of SES and “does not describe or reflect the wealth of parents of students in a particular school or the wealth or resources of that school”.¹ This statement from the *My School* website makes it clear that ICSEA was not developed to be a measure of SES.

A further significant issue for the independent sector is that the ICSEA methodology remains contentious and there is no agreement from the sector regarding the rigor of the data used to calculate ICSEA or the validity of the methodology.

Finally, there is no agreed measure of low SES. Assuming that ICSEA could measure SES, the *My School* website shows the distribution of students in a school across four quarters representing a scale of relative educational disadvantage (bottom quarter) through to relative educational advantage (top quarter). Not only are these quartiles showing educational advantage rather than SES, but there is no agreement on what proportion of students would be defined as low SES.

LBOTE

Once again, the Language Background Other than English (LBOTE) definition identified in the Report utilises the current ACARA *My School* definition being ‘students with a language background other than English, where at least one parent has only completed schooling up to year 9 or below’. ACARA has identified significant deficiencies in this approach to measuring LBOTE disadvantage and has been requested by MCEECDYA to consider replacing the LBOTE measure with a measure more linked to sources of educational disadvantage such as English language proficiency, refugee status and length of time in Australia. This calls into question the validity of this measure as an appropriate means of identifying LBOTE students for the purposes of a loading under the proposed NSRRS model. It is anticipated that there will be a lead time of several years before a suitable measure of LBOTE disadvantage is developed.

Students with Disabilities

The Report notes that work is currently underway to develop national definitions for students with disabilities. However, the national definitions currently being developed are for the purposes of identifying and reporting students with disabilities, not for the purposes of funding. Previous attempts to develop a nationally consistent definition of students with disabilities for funding purposes have been unsuccessful. Caution needs to be exercised in assuming that the current exercise will produce a suitable definition for the purposes of a NSRRS.

¹ My School website Guide to Understanding ICSEA

Indigenous

There are ongoing issues with the quality of identification and reporting of indigenous enrolments. This is an issue which the Australian Bureau of Statistics (ABS) has been seeking to address over a number of years but continues to be identified by the ABS as needing improvement. ABS data would indicate that there is an issue of under-identification of Aboriginal and Torres Strait Islander students and lack of consistency across jurisdictions in how this information is collected.

Loadings

Beyond the severe limitations imposed by the lack of consistent data, the process for agreeing on definitions and the appropriate levels for loadings will be time consuming and require a high level of data collection, modelling and trialling before implementation can proceed. In order for a NSRRS model to be supported by independent schools, there will need to be broad acceptance of the rigor of the data, methodology and implementation. Achieving consensus on these will require an extended timeframe and significant financial and expert investment in the process.

The Report recommends a materiality threshold for loading set at 10 per cent. No information is provided on how this threshold was determined and the rationale driving such a threshold. Were a NSRRS model to proceed, this issue should be part of a broader consideration of loadings.

Reference schools

The independent sector considers that the Report significantly understates the difficulties around determining appropriate reference schools and reaching agreement on efficient costs. Once again, the process for assessing, examining, validating and agreeing on efficient costs will need to be undertaken based on rigorous data, sound modelling and consensus around outcomes to be achieved, including reaching consensus on schools deemed efficient and what would be the characteristics of an inefficient school.

The Report also notes the issue of excluding highly resourced schools identified as being non-government schools (largely funded through fees) that have the potential to bias the estimate of NSRRS. Whilst 'highly resourced' schools represent only a small proportion of independent schools, the sector believes that across all sectors there will be 'highly resourced schools' and part of the examination of data will be looking at what factors are driving resource needs, whether it be school size, location or services provided such as extra curricular activities or extended school hours. These will be threshold issues whichever sector is being examined and 'highly resourced' non-government schools should not be identified as being excluded for perception reasons alone. Consideration also needs to be given to the treatment of government schools that increase their resource levels by raising high levels of private income.

The difficulties in identifying adequate numbers of reference schools should also not be underestimated. Previous attempts at an examination of school resources, specifically the MCEECDYA Report on Resourcing the National Goals for Schooling, encountered significant problems in identifying adequate numbers of appropriate 'reference schools'.

Agreement on outcomes

A NSRRS under the proposed model is ‘focussed on estimating the resourcing necessary to meet specified national outcomes – that is, activities and outcomes that are common to all schools’. The Report acknowledges the current lack of suitably agreed outcomes, with the only consistent national data relating to schooling outcomes being the NAPLAN data. The narrowness of NAPLAN data is highlighted in the OECD Reviews of Evaluation and Assessment in Education - Australia which notes that “because measures of student growth require tests that address a consistent set of targets over time and are vertically scaled, as NAPLAN is, which tends to narrow the breadth of content that can be assessed”.²

The Report recommends a two stage process to assessing schooling outcomes for the purpose of estimating a NSRRS and loadings:

1. Using NAPLAN data in relation to numeracy and literacy to identify ‘reference schools’ where at least 80 per cent of students are achieving above the national minimum standard for their year levels, across 2008 to 2010.
2. Validating NAPLAN outcomes for reference schools, by examining other data and applying professional judgement at the school level.

A number of issues emerge from this approach. Firstly, basing an entire funding model on NAPLAN results raises significant concerns regarding the validity of outcomes. NAPLAN is an extremely limited and narrow measure of outcomes and whilst this is acknowledged in the Report, there is little provided in the way of viable alternatives or additions.

The proposal to use as reference schools, schools where at least 80 per cent of students are achieving above the national minimum standards (NMS) in numeracy and literacy across three years 2008 – 2010 is also of concern. The use of NAPLAN means there is no way of determining an agreed educational standard for students above year 9 which risks not providing sufficient recognition of the additional resources required to support student learning in senior secondary courses.

Also, it is not clear why the percentage of students achieving above the national minimum standard (NMS) was set at eighty per cent as a means of identifying reference schools. The NMS represent minimum performance standards in literacy and numeracy for a given year level, below which students will have difficulty progressing satisfactorily at school³. Schools only achieving eighty per cent should not be considered as a benchmark for assessing schooling outcomes for the purpose of estimating a NSRRS and loadings. Eighty per cent is not an acceptable achievement level as it potentially will result in a level of resources being identified commensurate with twenty per cent of the student population having difficulty progressing at school. It is not clear why an outcomes standard would not aspire to one hundred per cent achievement.

The independent sector is also concerned at the addition of professional judgement as one of the approaches recommended for validating NAPLAN outcomes for reference schools. As soon as

² OECD Reviews of Evaluation and Assessment in Education – Australia 2011 Paul Santiago, Graham Donaldson, Joan Herman and Claire Shewbridge

³ ACARA National Assessment Program website

professional judgement is introduced, the rigor of the model is severely compromised. As was demonstrated with ICSEA, many government systems used professional judgement to “adjust” their schools’ ICSEA scores when scores did not meet their preconceived ideas of the schools’ populations. This not only immediately destroyed any rigor in the application of scores but called into question the accuracy of the methodology. Utilising professional judgement introduces an unacceptable level of subjectivity.

b) Discussion of the broader implications of the preferred model which emerge from the paper or are left unresolved by the paper

The Report makes a number of clear recommendations which have the potential to significantly impact on the independent sector or makes recommendations which are not clearly articulated and therefore are of concern as the implications are not apparent.

Indexation

It is the view of the independent sector that the Allen Report does not adequately address the critical issue of indexation. With no regular indexation, the value of government grants declines and the increased costs must be met by greater parental contributions or a reduction in educational services. The increasing costs of schooling reflect wage increases for teaching and support staff, the increasing investment in schools demanded by improvements in quality such as curriculum and technological change, lower student to teacher ratios, along with increasing costs associated with measuring student performance and the increasing role for schools in the provision of pastoral care. In addition, non-government schools face costs not met by government schools such as borrowing and school fee offsets.

Consequently often the costs of schooling increase at a greater rate than for many other services in the community. Thus the use of a school’s specific index measuring actual movements in school education is essential to preserve the real value of school education funding. Since 1993, Commonwealth recurrent grants to non-government schools have been adjusted annually or cost supplemented by movements in Average Government School Recurrent Costs (AGSRC). The policy behind applying AGSRC to non-government school recurrent grants acknowledges that school education costs have risen at a faster rate than, for example, the Australian Bureau of Statistics (ABS) Consumer Price Index (CPI) Series. Non-government schools are subject to similar cost drivers as government schools i.e. teacher salaries and therefore it is appropriate that their Australian Government grants be maintained in real terms.

The sector strongly disagrees with the treatment in the report of indexation. The only options canvassed by the report are the Consumer Price Index, Labour Price Index and a combined Consumer and Labour Price Index. These indices are not sector specific and traditionally have not reflected movement in the actual costs of education.

This recommendation is also not consistent with the outcome of the Bradley Review of Australian Higher Education in terms of indexation, which identified a need for an index to reflect the real rate of change in academic salaries (which in both the school and higher education sectors are the main operating costs). Following the Bradley Review, indexation for universities has been revised to produce a Higher Education Grants Index number which combines a general measure of cost increases across the economy combined with a more precise measure of academic salaries.

Adjustments to NSRRS

Section 6.6 of the Paper deals with utilising a NSRRS to guide Australian Government contributions to both government and non-government school funding, as a replacement for the AGSRC.

The Paper notes that systems would have the flexibility to manage year to year variations in the NSRRS based allocation. However it is acknowledged that this is not an option for most of the independent sector. Unpredictable annual fluctuations in resource levels will affect all independent schools and be particularly problematic for low-fee independent schools which receive a larger proportion of their funding from the Australian Government. The paper notes that “for such schools, funding rules may need to be established that reduce funding volatilities”. This approach and recommendation creates a high level of concern and uncertainty for independent schools and would need to be more adequately addressed before a NSRRS model could be considered.

Exclusion of adjunct costs

The Allen Report recommends that adjunct costs such as transport, teacher housing, student health and welfare costs and higher overheads in remote areas should not be included in a NSRRS.

For independent schools servicing highly disadvantaged remote communities the exclusion of adjunct costs including costs associated with remote schools such as transport, teacher housing and student health and welfare costs is significant. These costs can be substantial and a major determinant in a school’s capacity to undertake initiatives that influence student outcome improvements such as improving attendance, getting students to school, and addressing student health, diet and hygiene needs.

Special Assistance Schools cater for students with severe social, emotional and behavioural issues who are disengaged from both government and non-government mainstream education. Similar adjunct costs exist for these schools and students such as mental health and other health related expensed.

These are essential considerations that must be addressed before effective learning can take place. These schools would consider these elements as critical to the achievement of the agreed learning outcomes.

Linking of loadings to outcomes

The Report also recommends the application of loadings to individual school NSRRS levels should be tied to the achievement of agreed educational goals and outcomes, where possible. The specific time scale for achievement should also be considered. This recommendation is saying that on review a school’s resource level could be reduced. This is extremely problematic for independent schools which cannot rely on a safety net from systems in terms of resourcing. A drop in resourcing would affect the stability of staffing and level of service provision and ultimately reduce a school’s capacity to make provision for special needs students and improve and enhance their learning outcomes.

Resource-based models

Despite the Report examining previous funding arrangements for non-government schools, there is no acknowledgement in the Report of the issues that emerged under the former Education Resource Index (ERI) funding model. Any consideration of a NSRRS should examine the implications of moving back to a resource-based standard and the experience of non-government schools under the former ERI funding model which was replaced by the SES funding model for independent schools in 2001. The ERI funding mechanism provided an incentive for schools to minimise their overall income in order to maximise their Australian Government funding. In order to address this situation, adjustments to the model needed to be developed to ensure schools were “maintaining effort” in terms of their private income streams. All of these factors led to an extremely complex and non-transparent funding methodology that was subject to potential manipulation.

The independent sector believes that funding models for non-government schools should inter alia: encourage not discourage parental investment; be based on reliable and transparent data and be simple to administer. As there is no attempt in the Report to provide operational details of a NSRRS, there is concern in the independent sector that a NSRRS may represent a return to an ERI-style model.

Assumptions in report

Allen Consulting met with a broad range of stakeholders in developing the advice in the Report and generally the Report achieves a balanced view of the current funding arrangements. There are however, a couple of points that the independent sector would seek to clarify in this submission.

The independent sector believes that the Report overstates the complexity of the current system. The Report states that the NSRRS should assist in developing a more consistent and sustainable national school funding framework. This statement assumes that there is broad agreement with this statement which is not the case for the independent sector which represents a significant contributor to school education in Australia. There is no suggestion from the independent sector that the current model should be changed or is not sustainable.

The section in the Paper dealing with how a NSRRS should be structured states that the average cost model approach would be akin to the application of the AGSRC, where there is a flat ‘rate’ for all schools (differentiated between primary and secondary school students) and that the AGSRC did not allow for consideration of the characteristics of the systems, schools and students. This ignores the SES overlay in the non-government sector which specifically differentiates funding on the basis of the characteristics of the student population.

There is an assumption in the Report that government schools are the only schools with the attributes of universal providers. Catholic systemic schools and many faith-based independent schools seek to ensure they can enrol all students seeking to attend regardless of their parents’ capacity to pay. Many non-government schools in remote areas are sole providers of education for students in those regions.

Further, for all schools, government or non-government, where demand for enrolment exceeds supply, it is necessary to utilise some rationing mechanism whether it be zoning or for

government selective schools academic results, waiting lists, enrolment from established feeder schools or prior association with the school.

The independent sector would also like to stress that it is important not to overstate the link between SES and student performance. The Report cites Thomas et al 2009 in saying “In summary, students in the Catholic or independent school sectors bring with them an advantage from their SES that is not as strongly characteristic of students in the government sector.” This analysis needs to be balanced by some consideration of enrolment facts. Fifty percent of students coming from the highest ABS income bracket of \$104,000 or above attend government schools⁴, while about a third of independent school enrolments come from families earning less than average full-time earnings⁵.

Research such as Kelley and Evans should also be considered when looking at cross-sectoral SES issues. Their research concludes that school sector choice is much more about culture and community than class, with family income only playing a small role in school sector decisions. Their research shows poor and middle class families being equally likely to send their children to independent schools and those in the top quintile of income being only slightly more likely than people on lower incomes to do so, net of other factors.⁶

Conclusion

Whilst acknowledging the difficulties in developing a NSRRS as outlined above, the Report leaves the really difficult aspects of utilising a resource standard unaddressed. The Paper states that “future development of a NSRRS will depend on broader recommendations from the Review Panel and decisions by the Australian Government on application of a NSRRS to fund schools”. The Report goes on to outline the significant challenging ‘matters required to be addressed’ prior to the application of a NSRRS.

ISCA considers that while Allen Consulting concludes that it is possible to design an appropriate NSRRS model and that a schooling resource standard is feasible, the issue of whether such a resource standard is “appropriate” remains unresolved. One of the principles the Allen Report identified to guide development of NSRRS estimation method was that ‘the NSRRS should not be purely a theoretical model, and should be sufficiently robust to have practical application as either a benchmark funding standard, and/or to assist with resource allocation where agreed’. The independent sector does not consider that this principle has been addressed.

The NSRRS remains a theoretical model only and the Report makes no attempt to test its practical application. In proposing a theoretical NSRRS, the Allen Report does not address the detail of how a NSRRS would be applied. Nor does the Report provide stakeholders with sufficient information to provide any substantial advice on the impact of such a model on funding arrangements on their sector.

The Report makes a number of statements about the development and possible uses and enhancement of a NSRRS over time but consistently lacks detail around what precisely is being suggested, how this would be achieved, which schools would be affected and who would be

⁴ ABS Census of Population and Housing 2006

⁵ ABS average gross weekly earnings of \$1,305 for 2005-06

⁶ Choice Between Government, Catholic and Independent Schools: Culture and Community, Rather Than Class by Jonathon Kelley and M.D.R. Evans, Melbourne Institute of Applied Economic and Social Research 2004

responsible. The Report mentions several ways in which such a standard might be used, but does not make any recommendations about how the standard should be linked to funding.

Other suggestions that raise concerns but include no detail are:

- (a) the functions associated with the creation of the model be undertaken “at arm’s length from government, either through a specialist agency established for the purpose, or through periodic reviews by an expert panel or committee”;
- (b) that reporting and accountability arrangements should seek to identify how financial resources are deployed within schools, with a view to assessing how effectively schools use resources;
- (c) deployment of a NSRRS should link to other policy interventions, such as raising the quality of teaching;
- (d) the implications of the statement that “a NSRRS could provide a more reliable and relevant benchmark against which costs and outcomes for schools and school systems can be assessed”. Based on experience in other sectors, a NSRRS and its various elements could indirectly influence resource allocation to schools by identifying areas of over and under-funding relative to student characteristics and outcomes; and
- (e) the application of loadings being tied to achievement of educational goals and outcomes.

The Report does not deal with many key issues arising from the proposed NSRRS of particular significance to independent schools including:

- (a) how to treat schools that are already raising income in excess of a NSRRS;
- (b) how to treat private income across all sectors;
- (c) different levels of government having different levels of funding responsibility across sectors;
and
- (d) differential funding from state/territory governments for non-government schools.

A far greater level of detail regarding the operation and application of a NSRRS will need to be provided before the independent sector can make an informed assessment of the feasibility of this funding approach.

PAPER 2: Assessing existing funding models for schooling in Australia – Deloitte Access Economics

The Report by Deloitte Access Economics provides an assessment of the eighteen current funding models used by Australian governments, federal and state/territory) to resource schooling provision. The Report then outlines the key lessons for the Review of Funding for Schooling. The authors note that Australian and international research does not establish a direct link between funding models and outcomes, however, they determine that three factors demonstrated as being among the most influential determinants of student outcomes can be influenced by funding model design: teacher quality; autonomy and socio-economic status.

Deloitte Access Economics then identify what they consider to be the features which characterise optimal funding model architecture. These features are broadly consistent with the agreed criteria for assessing funding models outlined in the initial ISCA submission to the Review of Funding for Schooling. A copy of these criteria is provided in the Background of this Submission. The Deloitte Access Economics features are discussed below.

Features which characterise optimal funding model architecture

1. Optimal funding models are designed with direct reference to public policy objectives.

Current funding arrangements seek to make direct reference to public policy objectives for both government and non-government schools. Under the National Education Agreement and non-government school Funding Agreements, schools are obliged to support the achievement of the Melbourne Declaration on Educational Goals for Young Australians and the Council of Australian Governments outcomes for schooling. The Melbourne Declaration Goals, however, are very high level and directly referencing these Goals to resourcing is not possible. Funding models such as the National Partnerships have also sought to link funding to public policy objectives. It is not yet clear, however, whether this approach has led to a more successful achievement of the policy objectives.

2. Funding is based on the efficient cost of meeting students' educational need, given the characteristics of the school they attend.

The independent sector supports a student-based approach to assessing need for the purposes of a school funding model. A student-based methodology which relies on robust data regarding student characteristics provides an effective and transparent means of determining the resourcing needs of individual students. The characteristics of a school would presumably be determined by the aggregation of the characteristics of the individuals attending that school.

This feature raises other questions which are not addressed including how to determine efficient cost and define and assess educational need.

3. Empirical research underpins funding rates and their variation across student cohorts and schooling settings.

Funding based on empirical research and reliable, robust, up-to-date data is critical. However, this feature goes on to state that performance data should inform assessment of educational need and the associated funding rates for equity groups. There is no further detail provided regarding

this feature and this approach to funding equity groups is problematic. Current performance data is not rigorous, nor suitable as the basis for resource allocation. Many equity groups achieve performance outcomes because they receive equity funding. Funding for equity groups should be based on the educational need of the individual student not performance data.

4. Funding formulae are reviewed – and as appropriate recalibrated – on a periodic basis and in a systematic fashion, drawing on cost and outcome data (noting the limitations on the use of these data in this context).

The independent sector would support this feature as it is important that school funding arrangements are responsive to changes in resourcing requirements. Issues such as wage increases for teaching and support staff, the increasing investment in schools demanded by curriculum and technological change, lower student to teacher ratios, increasing costs associated with measuring student performance and data collection requirements all contribute to changing cost structures.

5. Funding is designed to keep pace with both increasing enrolments and efficient growth in service-delivery costs.

It is critically important to ensure funding support matches cost increases driven by changes to ‘unit costs’ measured on a per student basis. Adequate and relevant annual indexation of funding support is essential for the proper and sustainable operations of all schools. For independent schools, a lack of regular and appropriate indexation would result in the value of government grants declining and increased costs being met by greater parental contributions or a reduction in educational services.

6. Tradeoffs among adequacy and efficiency; simplicity and specificity are shaped by policy priorities and in light of improvements in the quality and availability of data.

While the independent sector strongly agrees that funding models must rely on robust, reliable, current data, it is important to reduce the impost on schools of demands for data collection and updating. This is combined with the principle of simplicity which notes that funding arrangements should be simple to administer, with low administration costs for government and low compliance costs for schools. Schools are busy enterprises that are constantly, and increasingly, required to generate data for different levels of government (and for other funding providers) to secure funding entitlements or to acquit them. Minimal administrative impost on schools should be a prerequisite of any changes to funding arrangements. In this regard, minimising such imposts should be an outcome of any improvement in the coherence of the funding system. For example, reporting requirements becoming consistent across multiple funding programs and from different funding providers.

7. The basis for funding allocations (i.e. funding formulae) is publicly available, except in instances where there is a privacy or other public interest case against such openness.

The independent sector supports the principle that funding should be based on reliable and transparent data. The sector also acknowledges the importance of ensuring that appropriate privacy principles are in place and data protocols around the collection, handling and use of data are formally agreed.

8. Mechanisms are in place to both support schools in their deployment of resources and to ensure that deployment is consistent with the policy intent (i.e. the underlying funding rationale) – especially in devolved models, and particularly where potential for gaming exists.

The independent sector recognises the importance of balancing the flexibility in deployment of resources to address educational need at the individual school level with the need for both educational and financial accountability. Independent schools have managed over many years to successfully deliver quality educational services with high levels of both flexibility and accountability. The autonomy and independence of the sector are fundamental characteristics that promote the sector's capacity to achieve solid outcomes in line with policy intent. Future funding arrangements must enable the sector to retain its capacity to do so.

9. Optimal funding models incentivise private contributions where this is socially acceptable and not at odds with the underlying philosophy; and at the very least do not create barriers to schools procuring private funds in appropriate ways.

Funding arrangements which support students in a way that encourages, not discourages, parental investment in schooling is a core issue for independent schools. Private investment by parents from 'after tax' dollars is fundamental to the establishment and operations of independent schools. However, adequate government funding support, to complement private investment in schooling is critical to ensure the viability of independent schooling. The wider social benefit of private investment in schooling is a further consideration as it allows public finances to be utilised elsewhere in accordance with other policy priorities.

Comment

There are a number of recommendations or key points in the Deloitte Access Economics Report which require further comment as follows.

Primary and secondary principles

The Report identifies several principles that could be regarded as integral to funding outcomes as they directly impact on the level of funding that is allocated to schools and the means and effectiveness with which funds are allocated. These primary principles are: equity; effectiveness; adequacy; efficiency and incentive. The Report then goes on to identify five secondary principles in terms of their relationship to funding outcomes, as they are process-orientated and their role is to support the primary principles. These secondary principles are: certainty; flexibility; transparency; accountability and simplicity.

While the independent sector does not disagree with these principles per se, for independent schools the principle of certainty would certainly be considered a primary principle. Independent schools need stable and predictable funding to facilitate financial planning and management and deliver their education programs. The majority of independent schools are set up and governed independently on an individual school basis. These schools cannot rely on central bureaucracies or systems to provide support, including funding support, if there are fluctuations in their resource base. For these reasons, the independent sector would prefer to see certainty included as a primary principle.

Interaction between funding models

The Report notes that its focus has been an analysis of current funding models and was not intended to examine system-wide issues or specifically analyse issues of interaction across different funding models or different schooling systems. However, the Report does identify five principles which are relevant from a funding system perspective: neutrality; fairness; sustainability; choice and coherence. It is unfortunate that the scope of the Report did not enable greater analysis of these five principles as much of the public debate and interest in school funding arrangements has focussed on these issues.

The independent sector strongly supports the overarching principle of choice and notes that the Report links the principles of choice and sustainability. The Report treats sustainability in terms of whether the system can sustain multiple alternative schooling sectors. It states that “Choice is supported by ensuring that the limited funds which are available are allocated in such a way that, given other sources of funds available, each element of the system can be sustained as a viable education option”.

What is not highlighted in this section of the Report is how the parental contribution to the cost of schooling in non-government schools significantly contributes to the overall sustainability of a funding system. In the non-government sector, the decision by parents to make a significant contribution to their children’s schooling is made by choice and represents a partnership between non-government schools and parents which provides a major contribution to the funding effort for Australian schools. Based on Productivity Commission data, ISCA calculates that the total savings in government recurrent expenditure from students attending non-government schools was some \$7.9 billion in 2008-09. This is up from \$7 billion in 2007-08.⁷

The principle of fairness, the extent to which funding arrangements treat schools and students equally across sectoral or system boundaries, is also a key concern for independent schools particularly in respect of students with special needs. While the Australian Government and some state and territory governments provide some limited supplementary assistance for students with special needs, when a parent enrolls their child with a special need in an independent school the bulk of the additional cost to meet the educational needs of these students must be met by the individual school community. This means that enrolling special needs students, particularly in middle to low fee schools, can place a significant burden on the school community. For special needs students in government schools, the cost of their education is met by the Australian community as a whole.

The independent school sector believes that students with special needs should be funded according to their educational needs and this funding should follow the student regardless of the type of school they attend.

Conclusion

The Deloitte Access Economics Report acknowledges the importance of funding models to ensuring the efficient and effective delivery of schooling, a view which is supported by the independent sector. While not wishing to understate the importance of appropriate and adequate funding, the independent sector also supports the findings of the Report that funding is

⁷ Based on figures provided in Productivity Commission Report on Government Services 2011

but one element among an array of variables, such as school policy and regulation, school environment and student background that impact on student outcomes. The independent sector highly values funding models which acknowledge there are a range of variables that impact on student outcomes and as a consequence promote choice, diversity, flexibility and autonomy and ensure that independent schools can continue to operate in a funding environment which encourages an innovative approach to improving educational outcomes.

PAPER 3: Schooling Challenges and Opportunities – Nous Group

The independent sector strongly supports initiatives to address educational disadvantage. This was highlighted in ISCA’s major Submission to the Review of Funding for Schooling in March 2011. The ISCA Submission stated that “Resourcing of students with special needs or who are educationally disadvantaged, needs to be addressed in all sectors to ensure that the (Review) Panel’s commitment to equity, ensuring that differences in educational outcomes should not be the result of differences in wealth, income, power or possessions, is achieved through the funding model”. A commitment to equity and opportunity is reflected in the values and ethos of schools in the independent sector.

The independent sector was therefore pleased to see that the Review Panel recognised the importance of addressing equity issues in schooling and commissioned a major research project in this priority area to inform its deliberations.

The Report, *Schooling Challenges and Opportunities* produced by the Nous Group had the potential to be the catalyst for innovative policy development but is instead a missed opportunity. Rather than taking the opportunity to recommend practical and purposeful strategies informed by the latest research and case studies, the Report produces a disappointing mix of rehashed existing policy initiatives and ideologically-driven attacks on non-government schools.

Six levers of influence

The report identifies and discusses six levers that can be best employed to lift performance nationally and improve equity of outcomes.

1. Improving the quality of teachers and of teaching
2. Ensuring the right external standards and oversight
3. Promoting regional level collaboration and networked schools
4. Supporting disadvantaged students
5. Investing in underperforming schools where there is a concentration of disadvantage
6. Bringing it all together: strong leadership to drive school improvement

These six levers of influence reflect already well-established educational principles which have been recognised and adopted by governments and reflected in policy initiatives such as the Smarter Schools National Partnerships and initiatives being undertaken by the Australian Institute for Teaching and School Leadership (AITSL). This point is acknowledged by the Report itself which states “..most of the levers identified are being used to very good effect around Australia.”

In addition to the six levers outlined above, the Report makes a number of other recommendations based, not on rigorous data, but on preconceived assumptions regarding the nature of the operation of education in Australia. This point is again acknowledged in the Report “While we cannot document with precision and methodological integrity where the

different school sectors and jurisdictions sit on this chart (chart which compares relative performance against two dimensions of equity and reading scores), we can fairly confidently speculate how the results break out.” So in the context of a complete lack of reliable data, the Report’s authors have fallen back on ‘opinion’ rather than ‘research’.

Enrolment policies

The Report states that “...what happens in Australia’s schooling market is that the majority of schools – independent, Catholic and a proportion of government schools – can select who they enrol. And given a choice, schools will take children who have a strong academic record.”

This is an extraordinary generalisation not based in fact and completely ignores the enrolment policies of schools, particularly non-government schools. The veracity of this statement is further undermined by the inaccurate exaggeration that independent, Catholic and a proportion of government schools who can select their enrolment make up the ‘majority’ of schools in Australia.

The Report makes clear the authors’ perception that independent schools are academically selective. For those independent schools where enrolment places are available, the general criteria for enrolment relates to whether the student and their parents accept the ethos and values of the school. Most non-government schools promote a charitable and inclusive ethos. As indicated in the Nous report itself “Parents don’t just look to schools to teach their children the basic curriculum to function in life and to secure employment. They rightly see schools as places that help shape the values and outlook of a person. Factors such as school ethos and culture are vitally important in determining the success of the student in school.”⁸

The enrolment practices in the independent sector reflect the diverse nature of the sector. Independent schools represent different faiths, structures and philosophies. Whilst schools may support a particular ethos, the majority of schools do not use this ethos as a restrictive discriminator in regards to enrolment. Faith based schools generally have an open enrolment policy in relation to students of different faiths and promote this diversity as an advantage for the school community.

Depending on the SES profile of the school, parents will also need to agree to make a contribution to the financial operations of the school through the payment of fees. However, Catholic systemic schools and many independent schools seek to ensure they can enrol all students seeking to attend. Schools will work with families to accommodate their financial arrangements to ensure that students can access the independent school of their choice. Many families make considerable sacrifices in order to ensure their children can attend the school of their choice. For many independent schools serving extremely disadvantaged school communities and/or students, the financial contribution to the school from parents is minimal or non-existent.

Often the payment of school fees has been used by commentators as a key discriminator against the participation of low SES families in the independent sector. Indeed the Nous Report states that ‘parents with a reasonably high level of disposable income can exercise wide choice’. This is often described as elitist practices to encourage enrolment of children from middle class

⁸ Nous Report summary p8

backgrounds. However the increased growth in independent low fee schools in the last ten years has resulted in greater opportunities for families across a wide range of SES backgrounds to access independent schools. The independent sector's increasing enrolment share indicates that parents are taking advantage of the greater affordability to move their children into the sector. Growing waiting lists across these low fee schools indicate a high demand for low fee independent schools.

Many independent schools often provide support through the generosity of the school's community. Students who may not be able to access a choice in schooling due to funding constraints can be supported through various scholarships, reduced fees and flexible payment arrangements.

Independent schools participate in a number of local and national programs to support disadvantaged students attending their schools. An example is the Indigenous Youth Leadership Program (IYLP)⁹ funded by the Australian Government through the Department of Education, Employment and Workplace Relations. The IYLP offers scholarships and leadership opportunities to young Indigenous Australians, with a focus on Indigenous youth from remote or regional communities. The Program supports scholarships of up to three years duration for Indigenous students to attend approved secondary schools (day and boarding, government and non-government) and universities.

It is important to note that educating an indigenous student in a boarding school can be resource intensive, particularly for students from remote areas. Most of the additional resourcing required to enrol indigenous students, is met by the individual independent school's community.

Independent schools¹⁰ work with organisations such as Yalari Limited, Cape York Institute for Policy & Leadership, The Smith Family and Madalah Limited to provide opportunities for indigenous students to study at high performing secondary schools and benefit from practical leadership experiences, personal development and mentoring. While there is funding to cover the average schooling and boarding costs, in major cities where higher costs are not met, schools and their communities provide any shortfall. This is seen as part of the school's ethos and philosophy in supporting philanthropic programs.

For those independent schools where enrolment demand exceeds supply, it is necessary to utilise a rationing mechanism. These rationing mechanisms include date of application for enrolment, association with the school (either through a parent, sibling or staff) and attendance at a traditional feeder school. It is usually only once these mechanisms have been exhausted that other students are considered and some schools may select a small proportion of additional enrolments based on a student's academic outcomes or other interests or abilities. On this basis, however, it is extremely inaccurate to classify such schools as 'academically selective' as the proportion of students actually accessing any school due entirely to their academic ability is extremely small.

Caution also needs to be made making the assertion that it is only defined 'academically selective' government schools that utilise academic results to ration enrolments. Aside from the many government schools that operate initiatives such as 'opportunity classes' and who attract high

⁹ <http://www.deewr.gov.au/Indigenous/Schooling/IYLP/Pages/IYLP.aspx> (accessed 2/9/11)

¹⁰ <http://www.deewr.gov.au/Indigenous/Schooling/Programs/IYLP/Pages/Schoolsfor2010.aspx> (accessed 2/9/11)

academic achievers through this approach, there are many other government schools that use academic results to ration enrolments that would in no sense be classified as ‘academically selective’. For example, a government school in the Australian Capital Territory accepts ‘Challenge Entry’ applications from students who do not live in the school’s Priority Enrolment Area. In order to be considered for Challenge Entry, parents must provide evidence of their child’s academic achievement.

Academic selection and residualisation

The Report identifies the growing ‘residualisation’ of disadvantage in government schools stemming from the drift of enrolments from government to non-government schools. It uses results in PISA as a measure of success when comparing schools across sectors and jurisdictions.

In regards to the comments on academic selectivity in the Nous Report, the ACER report, *Challenges for Australian Education: Results from Programme for International Student Assessment (PISA) 2009*¹¹ interestingly reports that in Asian countries, the student’s record of academic performance was an important factor when admitting students into schools: 82 per cent of students in Hong Kong – China and Singapore, and approximately 50 per cent of students in Shanghai – China and Korea, were attending schools in which principals reported that academic performance was always considered in admission. These are countries the Nous Report has identified as outperforming Australia.

The ACER report also identifies the differing admission policies across Australian school sectors with principals of 80 per cent of students in Catholic schools and 53 per cent of students in independent schools reporting that the parents’ endorsement of the instructional or religious philosophy of the school was always a consideration when admitting students into a school. Catholic and independent schools also had higher proportions of students (68 per cent and 64 per cent respectively) where the principal indicated preference was given to family members of current or former students, compared to 28 per cent of students in government schools.

Enrolments of special needs students in independent schools are increasing annually with the major constraint on enrolment growth being additional resourcing to adequately support their needs.

Independent schools are not-for-profit institutions that are set up and governed independently, the majority on an individual school basis. As autonomous, independent entities, most independent schools cannot rely on support from a systemic school authority to provide additional resources to meet the needs of increasing numbers of students with special needs such as students with disabilities, students from a language background other than English, rural and remote students, indigenous students, students with social, behavioural or emotional issues or other educationally disadvantaged students and students who need special support. It should also be noted that parents have the right to choose a school of choice and that schools, unless they can categorically prove undue hardship due to the enrolment of a student with a disability, are required under the *Disability Discrimination Act 1992*, to enrol these students regardless of the level of supplementary assistance that may be available. The Australian Government and some state and territory governments provide limited supplementary assistance to support the additional costs associated with educating special needs students. However, the bulk of the

¹¹ <http://www.acer.edu.au/documents/PISA-2009-Report.pdf> Chapter 7 Key findings p245 (accessed 6/9/11)

additional costs of these students in independent schools must be met by the individual school community.

Unlike government or Catholic systemic schools where there is capacity to move funding across schools to meet the cost of high need students, individual independent schools need to raise the often significant additional costs of special needs students from within the school community. This means that enrolling special needs students, particularly in middle to low fee schools can place a significant burden on the school community.

Despite the issues around ensuring adequate funding support for high needs students in independent schools, the number of these students in independent schools is significant and continues to increase annually. Indeed, there is no lack of special needs students seeking to attend independent schools and no lack of will on the part of independent schools to enrol them. The constraint on enrolment growth is due to the differential in the capacity of individual independent schools to meet additional costs, not the willingness of schools to enrol these students.

The independent sector makes a large contribution to addressing educational disadvantage through its Special Schools and Special Assistance Schools which provide alternative education settings for students with high-level needs. Parents should be able to choose a non-mainstream educational environment if it is the best option for their child.

In the context of this Report it is important to highlight the contribution of independent Special Assistance Schools which cater for students with severe social, emotional and behavioural issues. These schools serve young people who are disengaged from education and whose needs are not met by mainstream education. They are often referred from community services, juvenile justice and other schools both government and non-government. Special Assistance Schools have developed specially adapted programs and structures designed to re-engage students in education and prepare them for further training and employment.

Also relevant is the growing role of independent schools in addressing indigenous educational disadvantage. The independent sector incorporates schools that cater for indigenous students. Indigenous student enrolments are spread broadly across the sector with many independent schools having one or two indigenous students while other schools, including urban and regional boarding schools and indigenous community schools located in remote areas, have larger numbers of indigenous students. Often independent boarding schools provide scholarships to support access to education for indigenous students. Many independent schools in remote indigenous communities are the sole providers of education for these communities.

SES profile of government and non-government schools

The Report also uses the OECD PISA results to highlight strong links between high SES and good results and how this is contributing to education disadvantage and low equity. However, the data in this PISA Report can also be used to tell a different story with different policy imperatives. Whilst recognising the need to ensure all students have access to a quality education and the importance of targeting assistance to educational disadvantage, it is also important to recognise that Australia is still a High Quality country, having above average performance, and Average Equity, having average impact of socio-economic background.

The ACER Report from PISA 2009¹² reports:

- Australia remains committed to the principle of equity and social justice in education, and to the goal of allowing and encouraging all children to fulfil their full educational potential. To a large extent, these goals are realised; evidenced by the high average achievement levels in all three assessment domains in PISA.
- Australia's reading literacy performance has declined not only in terms of rankings but also in terms of average student performance. Australia was the only high performing country to show a significant decline in reading literacy performance in PISA 2009. Of concern is that the decline is primarily among high-achieving students, and that the proportion of both males and females in the highest two proficiency levels declined significantly over the nine-year period, while the proportion of males in the lowest proficiency levels increased.
- At the lower end of the reading literacy proficiency scale, 12 per cent of students failed to reach Level 2 in PISA 2000 compared to 14 per cent in PISA 2009 (this was not a significant change).

Based on the commentary provided in this ACER Report for reading literacy, while a decline was evident at the lower end of the reading literacy proficiency scale, it was described as not significant. These results do not provide any justification for the *Nous Report's* claims of increasing residualisation in Australian education. What appears to have impacted on the average student performance was the significant decline among high-achieving students, in particular the proportion of both males and females in the highest two proficiency levels, over the nine-year period of the analysis.

In terms of policy implications, this analysis of the decline in the higher proficiency levels is the key finding from the PISA Report. The decline in proficiency among high-achieving students should be of concern to governments and all education sectors and be deserving of a co-ordinated policy response.

The other key findings of concern in the PISA analysis are:

- The consistently low achievement of Australia's Indigenous students.
- The relatively low performance of students in remote locations. The difference between average reading literacy scores for remote students and that of students in metropolitan schools was equivalent to almost two years of schooling.

The special needs of Indigenous students and rural and remote students in independent schools are a particular concern for independent schools. These issues were extensively canvassed in the sector's major Submission to the Review in March 2011.

The Report notes that according to analysis of the PISA results, once the individual student's SES background as well as the school's cohort SES background is accounted for then the results are similar across all sectors. It therefore concludes that the once high performance linked with

¹² <http://www.acer.edu.au/documents/PISA-2009-In-Brief.pdf> accessed 5 September 2011

non-government schools, in particular with independent schools, no longer exists and therefore presents little 'value for money' compared to government schools. Research by Chris Ryan from the Melbourne Institute of Applied Economic and Social Research links the deteriorating performance of Australian school students on international tests to the growth in low-fee schools. This research suggests that Australian Government funding for the non-government sector needs to be better directed towards schools at the low-fee end of the private spectrum -- particularly those teaching students from low socio-economic backgrounds.¹³ This finding is supported by ISCA analysis of resource levels, with low-fee independent schools having the lowest resource levels in the sector overall, with their current levels of government funding not providing adequate compensation for these schools' lack of capacity to raise private income.

The OECD's Education at a Glance 2011 also draws on OECD PISA 2009. Education at a Glance notes that "...despite the strong association between socio-economic status and reading performance, many students from disadvantaged backgrounds confound predictions and perform well. Thus educators must not assume that someone from a disadvantaged background is incapable of high achievement. Across OECD countries, nearly one-third of disadvantaged students are identified as 'resilient', meaning that they perform better in reading than would be predicted from their socio-economic backgrounds." So too, PISA demonstrates that socio-economically advantaged students perform better, on average, but a number perform poorly.¹⁴

Treatment of non-government schools

The Nous Report states that "Australia's subsidization of the fee charging, autonomously-run independent school sector with public funds is unique across OECD countries". The Report also questions the extent to which public funds should subsidise those already 'well-resourced' selective schools not providing 'value-add' in terms of student performance. Rather than providing a considered response to a difficult policy challenge, these statements detract from the genuine efforts that schools across Australia are making to address disadvantage. Inflammatory and inaccurate statements such as these have no place in a Report which purports to be an academic exercise commissioned to inform a high-stakes Review.

Identifying non-government schools as a private 'independent' sector is misleading. The non-government sector in Australia is traditionally comprised of Catholic systemic and independent schools and neither of these sectors operates for profit. The implication that non-government schools are selective has been corrected earlier in this Submission when discussing enrolment policies in non-government schools.

The term 'highly resourced' is not an accurate reflection of the vast majority non-government schools and once again the implication that all non-government schools fall into this category is highly irresponsible and can only be intended to mislead the reader.

The majority of government funding for independent schools is provided by the Australian Government and is directly related to the socio-economic status of the school. For schools serving high SES communities, the level of government funding is small. The majority of independent school funding is provided by parents, with 55 per cent of income coming from

¹³ <http://www.theaustralian.com.au/national-affairs/cheaper-private-schools-no-better-than-state/story-fn96liy1-226085189585> accessed 5/9/11

¹⁴ OECD Educational at a Glance 2011

private sources. This willingness and commitment of independent school parents to paying school fees saves governments an estimated \$3.6 billion per annum in recurrent schooling costs.¹⁵ Any ‘subsidisation’ taking place is by independent school parents who are subsidising governments for a significant portion of the cost of educating a student in an independent school.

The Nous Report states ‘there ought to be some pressure on schools to take on more ‘under-performing’ students and demonstrate their quality through student performance over and above what would have been expected from past experience’.

Although the report does not articulate how ‘pressure’ would be placed on schools to take on more under-performing students, it alludes to making this as a requirement for funding models by ‘re-directing resources from elsewhere’ and again this points to the non-government sector. This recommendation provides no information on: how these schools would be selected or the level of resources the selection be based on, how students would be selected; how many under-performing students would need to move to have an impact on achievement in the lower levels of PISA; what additional costs would be incurred by the students moving that would have to be met by governments; what would happen to the students left behind (residualisation?) and would this policy apply to both government and non-government schools.

The Report also suggests that these schools ‘pressured’ to take on more under-performing students should demonstrate their quality through student performance over and above what would have been expected from past performance. It suggests that this may mean restructuring some or all of the public subsidies so that they are retrospective and ‘reward-based’. This ignores that for the schools in question only a small proportion of their revenue is ‘publically subsidised’. It is not clear who are they proposing will pay the up-front costs of educating a cohort of disadvantaged students on the chance that these expenses will be reimbursed, presumably the school community who are already making sacrifices by contributing their after tax dollars to their children’s education.

Independent Schools and Improving Social Capital

Earlier in 2011, ISCA commissioned the Public Policy Institute of the Australian Catholic University to prepare an Issues Paper on Equity and Education. This Paper examined the meanings of equity, equity and disadvantage, the policy implications and the role of schools in addressing disadvantage. Drawing on the most recent national and international research, the Paper focussed on the benefits to society of improving educational attainment including increasing GDP and flow-on social benefits such as reduced welfare dependency, health improvements and increased social engagement. The Report concludes that “Certain attributes of school systems, in-school practice and resourcing approaches are associated with improved achievement and greater equity. The most important of these are: priority investment in the early years, quality teaching, “accountability, autonomy and choice”, and well targeted and evaluated programs designed to address particular instances of disadvantage. These are recognised attributes of quality schooling, regardless of whether it is delivered in a government or non-government school.

Non-government schools provide a significant return on the government’s investment by contributing to national growth and productivity. Characteristics of the non-government sector

¹⁵ Based on figures derived from DEEWR Financial Questionnaire 2008 and 2009 and Productivity Commission Report of Government Services 2011

– a clear focus on quality and achievement, the flexibility to respond to the educational needs of each individual student, strong systems of accountability to parents and government and the capacity to recruit high quality staff – are associated with quality outcomes and these in turn contribute to greater equity.”¹⁶

The importance of the link between high quality educational outcomes and equity is reflected in the Melbourne Declaration on Educational Goals for Young Australians which highlights the need for Australian governments, in collaboration with all school sectors to provide all students with access to high quality schooling.

The Nous Report draws heavily on PISA which is a narrow measure of school achievement and does not reflect the full scope of the Educational Goals for Young Australians. For example Goal 2 of the Melbourne Declaration states that as well as successful learners, young Australians should be confident and creative individuals and active and informed citizens. These broader objectives are well supported by independent schools through their provision of extra-curricular activities and social justice and community service programs.

Additional layer of administration

The Nous Report also argues “that consideration be given to regional community bodies whose responsibility is to support performance improvement of all schools, including through collaboration and joint initiatives”. As noted earlier, it is already widely agreed that it is in a community’s interests for all schools to thrive and be a shared resource, for parents to have real choice, for the community to have school students who are engaged in learning and readily employable, and for there to be a focal point for civic collaboration. This does not need to involve a new layer of bureaucracy. Further, there would not appear to be any evidence base for this recommendation.

Conclusion

As stated earlier, rather than providing a considered response to a difficult policy challenge, the Nous Report instead relies on ill-informed opinion and inflammatory statements designed to misinform the reader regarding the nature of the both government and non-government sectors in Australia. The Report relies on ideological and emotive opinions rather than empirical research and informed analysis and unhelpfully focuses the agenda on a government versus non-government school paradigm. This approach has no place in a Report which purports to be an academic exercise commissioned to inform a high-stakes Review.

Although the Report acknowledges that project members met with educators and policy makers including interviews with government and non-government education authorities, ISCA as the peak body for independent schools in Australia was not approached for information or comment. ISCA is aware of only one Association of Independent Schools being consulted during the preparation of the Report. This is in contrast to the other three commissioned research reports, where the sector was consulted more broadly.

The independent sector supports the priority given by the Review of Funding for Schooling to addressing educational disadvantage. However, the sector does not believe that the recommendations in the Nous Report reflect the reality of education in Australia and as a

¹⁶ Issues Paper 1: Equity and Education, Public Policy Institute, Australian Catholic University, April 2011

consequence do not provide the Panel with any constructive advice on which to inform their deliberations.

As well as seeking to address educational disadvantage in Australia, the Panel may also decide to note the significance of the PISA results in respect of the decline in the upper proficiency levels which is having a major impact on the average student performance for Australia.

PAPER 4: Assessment of current process for targeting of schools funding to disadvantaged students – Australian Council for Educational Research

The Report, *Assessment of current process for targeting of schools funding to disadvantaged students* undertaken by the Australian Council for Educational Research (ACER) was intended to address the critical issues in funding the education of the most disadvantaged students in Australia. This ACER paper was the only paper of the four research papers commissioned by the Review Panel to inform their work where a draft copy of the Report was provided to ISCA for comment prior to publication.

On reviewing the draft ACER Report, ISCA was so concerned not only by the factual errors, but also the content, tone, conclusions and recommendations, that the Executive Director expressed the sector's concerns in writing to the Review Chair, David Gonski AC, the Minister for School Education, Early Childhood and Youth, the Hon Peter Garret AM MP and Professor Geoff Masters, Chief Executive Officer of ACER. Regrettably despite providing extensive comment on the draft Report, the independent sector's concerns with the factual misrepresentations and other problems with the Report were not addressed.

This is extremely disappointing as the resourcing of disadvantaged students is a critical issue for independent schools. ISCA's major Submission to the Review in March 2011 provides extensive information on the growth in numbers of disadvantaged students in independent schools, the impact that this growth is having on the sector and the efforts individual independent schools are making to meet the educational needs of these students despite severe resource constraints.

The key issue for independent schools enrolling disadvantaged students, which is not addressed in the ACER Report, is that when an independent school enrolls a disadvantaged student the additional costs of meeting the educational needs of that student must for the most part be met by the school community. When a disadvantaged student enrolls in a government school, the cost of their education provision is met by the Australian community as a whole. The Australian Government provides an amount of additional support for disadvantaged students under its Targeted Programs, but there often remains a significant gap in resourcing to meet the needs of these students which is met by the school community.

The major ISCA submission provides trend data which clearly demonstrates that the independent sector is consistently increasing enrolments of disadvantaged students across all the categories of disadvantage being considered by the ACER Report. ACER has not drawn on this publicly available information in the preparation of its Report.

Approach of the Report

Rather than undertaking an independent research approach to the needs of disadvantaged students across the Australian education system, the Report authors have instead taken an ideological approach to the study based entirely on government versus non-government schools. This impacts on the way data is presented, the focus on low SES to the detriment of other targeted areas and the subsequent bias inherent in the conclusions and recommendations.

Tone of the Report

The tone of the document is not consistent with what would be expected in a professional academic publication reporting on empirically-based research. The tenor and language consistently implies that non-government schools are not pulling their weight in the education of disadvantaged students whilst making constant references to the residualisation of government schools.

Both the ACER Report and the Nous Group Report seek to attribute their claims of increasing residualisation in government schools to choice in schooling. As addressed earlier in this Submission in response to the Nous Report, there is little demonstrable evidence for increasing residualisation of government schools, including utilising PISA results. So too in the ACER Report, the claim of residualisation is ‘assumed’ but the Report does not provide any data in support of this assumption.

It is not clear why the authors made the nexus of the entire Report “the extent to which student selection and exclusion affects access for all students to quality schooling and contributes to the emergence of residualised and disadvantaged schools”. This line of inquiry was only one element suggested by the key research questions and provides an insight into the biases inherent in the study design. The implied understanding from the question is that this phenomenon not only exists and is pertinent but has considerable implications for the provision of quality schooling for all students, particularly disadvantaged students.

The argument supporting residualisation and anti-choice is challenged by the literature analysis which confirms that there is extensive research finding that expanding school choice options for households can have positive effects on school outcomes. For example, an influential OECD funded study examined 2003 PISA results from 37 countries and found that students perform better in countries with more choice and competition as measured by the share of privately managed schools, the share of total school funding from government sources, and the quantity of government funding between public and private schools. Notably this research also acknowledges that, in urban areas, indicators of choice among public schools are also associated with superior outcomes.¹⁷

Methodology and Data Collection

There are limitations on the Report methodology due to the lack of rigorous data, use and analysis of flawed and incomplete data, and perception being presented as factual evidence.

A combination of three data collection methods was used: a questionnaire; face-to-face interviews; and a literature search and review. Questionnaires were sent to, and interviews were conducted with, all educational authorities and peak sector bodies in Australia.

The independent sector is disappointed that despite the significant amounts of time devoted by state and territory Associations of Independent Schools to completing ACER’s data collection questionnaire, little of these data appear in the Report. This is frustrating not only because the Report does not reflect the initiatives in the sector to address disadvantage, but also because the inadequacies of the questionnaire were made clear to ACER prior to the commencement of the

¹⁷ Woessmann et al (2007) quoted ACER pp. 69-70

project but were not heeded. An appropriately designed collection tool is critical for reliability and validity of any data collected. The ACER Report concedes that the questionnaire was not effective for collecting consistent and accurate data which limited the capacity of ACER to collate and analyse the data in a meaningful way.

For example, data collected on Australian Government Targeted Programs from non-government sectors includes the Literacy, Numeracy and Special Learning Needs Programs (LNSLN). ACER instructed respondents to the questionnaire to only include programs which were specifically targeted to a type of disadvantage, for example students with a disability or low SES. The resultant responses to the questionnaire were accurate; however, the data was dependent on the jurisdictions' allocative mechanism. In some jurisdictions LNSLN program funds were allocated to students with a disability with remaining funds allocated with weightings for low SES, ESL and indigeneity. Whereas other jurisdictions allocated the non-students with a disability portion of the funds based on the demonstrated need in Literacy and Numeracy across all areas of disadvantage. The allocation of funds to Literacy and Numeracy was excluded by ACER's design parameters.

Appendix B of the ACER Report discusses the issues associated with the collection of data from the questionnaire. The resultant caveats on the use of the questionnaire data do not provide confidence that the data is valid and reliable for a consistent analysis to provide sound recommendations for the future.

ACER interviewed all jurisdictions and as outlined in the Report, the interviews were not conducted using a fixed-format approach but rather allowed for them to be free-flowing and for the specifics of each jurisdiction to be explored in depth. Such free flowing discussions may have had benefits in exploring the specifics of each jurisdiction in depth, however the design lacked rigour. Where information is reported by ACER, there is no distinction between perception/opinion and data-based evidence. The inclusion of information from the independent sector is limited. In addition, issues raised in discussions were not able to be responded to by other sectors.

The interview design clearly indicated that one of the prime purposes of the discussion was also an opportunity for the authors to test reactions of the jurisdictions to a number of alternative funding options. Sound methodological design would draw the potential models from the data arising from the research rather than being determined before the evidence was examined. ISCA met with one of the primary authors from ACER, on 4 November 2010, during the initial phases of the project. Even though the project was just commencing, and no data had yet been collected, the main author pre-empted the outcomes of the research by revealing that he had already reached a conclusion regarding the recommendations of the Report in respect of non-government schools. It is unfortunate, and of questionable validity, that these outcomes are included in the recommendations.

The Report acknowledges that the literature search did not provide as rich a source of information as anticipated. Although the authors note that there was a dearth of sound empirical research around many of the research questions, this may be due to the focus on funding models rather the critical features of programs for the target groups. Once again, the lack of high quality data from all three data collections calls the Report's credibility into doubt.

The authors compounded the methodological problems by including factual errors and omissions in the report. Some errors were simply omissions. For example, the lengthy interview

between the Association of Independent Schools of NSW and one of the principal authors was not included in Appendix C.

Presentation of data with significant omission was prevalent in the Report. For example, the Report indicated that nationally, the survey showed there were at least 159,000 students participating in ESL activities across all government schools (See Table 2 of the ACER Report). This table is an under-estimate because it does not include data from the Queensland government sector, the New South Wales or Western Australia Catholic sectors and only includes limited data from Victoria and Tasmania from the independent sector. Catholic school data from the Northern Territory and the Australian Capital Territory is also an under-estimate as it only captures ESL-New Arrival program funded students. With data missing for such a large proportion of the student population, its inclusion is misleading.

Despite the terms of reference, an in-depth investigation of the funding programs to address educational disadvantage for indigenous Australians was not provided even though the Report referred to the COAG targets and the high level of commitment. Further, the Report acknowledged that regional/rural and remote programs overlap with other targeted groups yet failed to provide a detailed account of regional/ rural and remote programs or address the issue raised regarding the potential overlap between the groups.

Finally, the significant problems with data in the Report are compounded by the lack of comparability of programs and definitional issues and the lack of consistency and transparency in details about government financial support for disadvantaged students. Instead of seeking to provide clarity around funding arrangements for disadvantage in government and non-government schools, the authors further confuse the reader by introducing their own misleading conclusions based on what the authors admit is highly inaccurate and non-comparable data. For example, paragraphs 121-122 extensively note the limitations in financial data and then state “These are significant limitations, however their cost-cutting impact (meaning they have both upward and downward effects on all sectors) suggests the actual disparity in total funding (from government and private sources) between sectors probably remains large”.

Despite being highlighted as an issue with the draft Report, the authors continue to use the terms funding and expenditure interchangeably, terminology which for non-government schools has significantly differing implications. The continued and persistent use of this terminology can be interpreted as an attempt to mislead the reader into thinking that non-government schools receive greater government funding than government schools.

The emotive language and supposition of the authors does not contribute constructively to this issue. The non-government sector strongly believes that all disadvantaged students should appropriately be supported by governments regardless of sector.

Targeted Programs

The Australian Government provides funding assistance to non-government schools for a range of targeted programs to address educational disadvantage and assist students with special needs. Targeted program funding is very significant for the independent sector. As the majority of schools in the sector operate as separate autonomous entities, there is no capacity to move funds between schools to support other schools enrolling students with particular educational needs.

Targeted program funding is administered on behalf of the Australian Government by state and territory Associations of Independent Schools. The Associations play a vital role in delivering funding within the sector as a whole, taking responsibility for assessing relative need and managing the allocation of funding to individual independent schools in accordance with Australia Government guidelines.

Delivering targeted programs through the state/territory Associations maximises the utility of relatively limited available funds. If very small amounts of supplementary funding were provided directly to schools, the capacity of individual schools to purchase services for their educationally disadvantaged students would be extremely limited. Directing targeted funding through the Associations maximises the utility of targeted funding by increasing the purchasing power of available funding. Associations also employ specialist staff to assist schools with professional services that individually, schools would not be in a position to purchase.

A recent review of targeted programs undertaken by Erebus (2010) on behalf of the Association of Independent Schools of New South Wales and cited in the ACER Report found that: “The evidence clearly demonstrates the importance of Commonwealth Targeted Programs funding in enhancing the quality of provision of services for students with special needs (including those in rural and remote and low socio-economic areas). In turn, the evidence gathered in this review suggests that this quality provision has positively impacted on student learning outcomes, teacher effectiveness and parent satisfaction levels...Alternate funding models, were perceived by stakeholders to be unlikely to deliver the same level of results for students in schools. This is because the focus currently provided by the AIS consultancy team would become dissipated with schools more likely to subsume services for students with special needs to an extent that would significantly diminish their effectiveness.”

Recommendations

The independent sector does not propose in this submission to individually address the ACER Report’s recommendations. As already outlined, there are significant problems with the methodology, missing and inconsistent data and bias inherent in the tone and assumptions in the Report. ISCA therefore does not consider that the recommendations are based on an independent and impartial analysis of empirically sound data. Indeed, it was made clear from the authors’ discussions with the independent sector during the initial phases of the research that they had already formed an opinion regarding options for funding of disadvantage students in non-government schools. Subsequently, the authors’ options have not been influenced by discussions with the sector or any research undertaken and the original recommendations have been presented in the Report unamended.

Finally, ISCA would query why a research report charged with examining how best to meet the specific needs of disadvantaged students would recommend funding students with disabilities in non-government schools in a way that would result in a significant reduction in the already constrained choices available to the parents of these students. The ACER recommendations in respect of students with disabilities in non-government schools are a flawed and manifestly discriminatory contribution which should have no place in the development of public policy.

Conclusion

The independent sector provided extensive commentary on the draft ACER Report and does not intend in this Submission to revisit every inaccuracy, factual error and emotive statement based on supposition identified in the draft and repeated in the final Report. This information can be provided on request. Despite significant amounts of time being devoted by state and territory Associations of Independent Schools and ISCA to completing ACER's data collection and meetings with the authors, little of this data or information appears in the Report.

The independent sector believes that school choice should be available for the parents of students disadvantaged by disability, English proficiency including refugees, location, indigeneity or socio-economic status just as it is for other parents. The sector maintains that supplementary funding to address disadvantage should be the same regardless of where the school is located or its affiliation.

The provision of adequate levels of targeted funding would enable independent schools to increase their capacity to cater for disadvantaged students.

CONCLUSION

The Independent Schools Council of Australia welcomes the opportunity to make a submission to the Review Panel in response to the four commissioned research papers.

The Review of Funding for Schooling is a high-stakes issue for the independent sector. The sector recognises the importance of ensuring that the Review Panel has access to accurate information to inform their deliberations. ISCA acknowledges the high standard of research which produced some of the papers. It is, however, regrettable that the quality of the research was not consistent across all four reports. This issue could have been addressed had there been an opportunity for the reports to be peer reviewed.

ISCA would also like to draw the Panel's attention to the extremely short timeframe allowed for stakeholders to respond to the four substantial research reports. It would have been useful if the release of the reports could have been staggered to allow stakeholders sufficient time to undertake a comprehensive analysis, consult within the sector and prepare a considered response.

Finally, a number of reports strongly reflect an inherent bias against non-government schools. That these reports were allowed to be released without these overt and covert biases being addressed undermines the credibility of the research informing the Panel's deliberations.

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

Association of Independent Schools of the ACT Inc.
The Association of Independent Schools of New South Wales Ltd.
Association of Independent Schools of the Northern Territory Inc.
Independent Schools Queensland
Association of Independent Schools of South Australia
Independent Schools Tasmania
Independent Schools Victoria
Association of Independent Schools of Western Australia Inc.

Bill Daniels
Executive Director
Independent Schools Council of Australia

Canberra
30 September 2011