

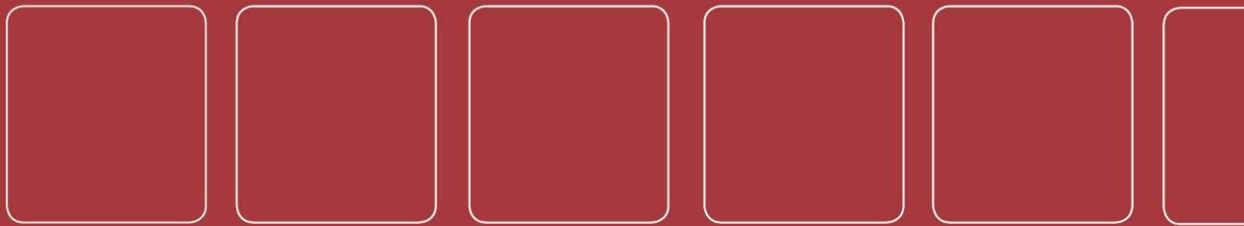


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# AISSA

## Response to the Commissioned Research Papers

Report to | Review of Funding for Schooling  
September 2011



# Table of Contents

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Executive Summary	1
1.0   Research Papers	4
1.1. Assessing Existing Funding Models for Schooling in Australia, Deloitte Access Economics	4
1.1.1. Deloitte Funding Model Principles	4
1.1.2. Certainty as a Primary Principle	4
1.1.3. Additional Primary Principles	5
1.1.4. Application of Fourteen Funding Principles	6
1.1.5. Optimal Funding Architecture	8
1.1.6. Concluding Comments	10
1.2. Assessment of Current Process for Targeting of Schools Funding to Disadvantaged Students, Australian Council for Educational Research	10
Chart I Percentages of Australian Catholic and Independent Schools by SES Band 2009 – 2012	11
1.2.1. Standard Disabilities Entitlement	12
1.2.2. Low SES	13
1.2.3. Indigenous	14
1.2.4. Concluding Comments	15
1.3. Feasibility of a National Schooling Recurrent Resource Standard, The Allen Consulting Group	15
1.3.1. Concluding Comments	17
1.4. Challenges and Opportunities in Australian Schooling, The Nous Group Consortium	17
Chart II Percentage of South Australian Independent School Students by Schools' Religious Affiliation and Educational Philosophy 2011	18
1.4.1. Specific Levers for Improvement	18





## Table of Contents

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1.4.2.	Concluding Comments	20
2.0	Concluding Comments	21

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## | Executive Summary

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This response to the Review of Funding for Schooling Commissioned Research papers is presented by the Association of Independent Schools of South Australia (AISSA), which represents the interests of all 95 Independent schools in South Australia, with an enrolment in excess of 44,500 students.<sup>1</sup> The AISSA is a member of the Independent Schools Council of Australia (ISCA) and supports the detailed submission made by ISCA.

The AISSA understands that the prime focus of the release of the research papers is to seek feedback on how any suggested ‘funding approach might impact on the future provision of schooling in Australia’. The AISSA responds to the Commissioned Research papers on this basis.

The Commissioned Research outlines a number of findings consistent with key elements of the current Australian Government funding arrangements for Independent schools, for example, having regard to the socio-economic status of families in determining recurrent funding, providing additional targeted support where there is additional need, and specific initiatives in areas of strategic priority such as teacher quality. The strengths of the current Australian Government model should be viewed as a building block for future funding arrangements.

The AISSA generally supports the ten funding principles which would underpin a funding model, as articulated in the Deloitte Access Economic paper *Assessing existing funding models for schooling in Australia*, subject to schools not being disadvantaged by obtaining private funding. In addition to the outlined principles four further primary principles – choice, diversity, basic entitlement and excellence – necessitate inclusion.


The principle of excellence is consistent with the *Melbourne Declaration on Educational Goals for Young Australians*, which outlines two primary goals. First, that Australian schooling promotes equity and excellence and second that all young Australians become successful learners, confident and creative individuals and active and informed citizens.

The Declaration is clear that the aims of equity and excellence are not mutually exclusive. The AISSA concurs with this view and strongly believes that a focus on excellence for all is the most effective and efficient means of enhancing outcomes for all students, including those who are educationally disadvantaged, and importantly in continually improving Australia’s education system. Hence the foundation of any proposed new model must be aspirational rather than merely seeking to meet identified minimum standards.

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<sup>1</sup> A detailed profile of the sector is provided in the AISSA Response to the Emerging Issues Paper.





The AISSA cautions the Review regarding the proposal to link a funding model solely to ‘public policy objectives’, which may be inconsistent with the *Melbourne Declaration on Educational Goals for Young Australians*. It is crucial that any linkage of recurrent and capital funding to policy objectives should be contained at a visionary level, such as the Melbourne Declaration, to enable schools to be innovative, have the capacity to respond to the needs and wishes of their communities and retain appropriate autonomy.

The ISCA response provides a comprehensive analysis of a number of the significant limitations of the research papers, in particular in regard to the development and implementation of the National School Recurrent Resource Standard (NSRRS), which is outlined in the *Feasibility of a National Schooling Recurrent Resource Standard* paper.


The AISSA does not have confidence in the validity of the proposed NSRRS as an indicator of the cost of providing high standard schooling, particularly having regard to the many aspects that are recognised as critical to high standard schooling that would not be covered by the proposed measures of educational outcome and the absence of any application of the proposed NSRRS. Central to these concerns is the future arrangements for indexation.

The AISSA shares the concerns raised by ISCA regarding generalisations about Independent schools in both the ACER *Assessment of Current Processes for Targeting of Schools Funding to Disadvantaged Students* and the *Nous Schooling Challenges and Opportunities* papers, which appear based on stereotypical assumptions and do not reflect reality, particularly in South Australia. These generalisations are not a sound basis for decision making about future funding models. However, notwithstanding these concerns the AISSA examines in good faith a number of proposals in each paper.

The AISSA supports the concept of a national disabilities standard, as proposed in the ACER paper *Assessment of Current Processes for Targeting of Schools Funding to Disadvantaged Students*, however, it is crucial that this standard is funded from additional government funds and not re-allocated from existing recurrent funding. All students with disabilities should have access to the same level of government funding and services regardless of the school or school sector they attend, in recognition of their needs. This funding should be provided at the school, system or sector level. Significantly, the administrative model, for the distribution of a pooled fund, outlined in the paper, is consistent with the current administrative model for Australian Government Targeted Programs in the SA Independent school sector.

The issues faced by low SES students are as relevant in Independent schools in South Australia as they are in government schools. The AISSA supports increased government funding for low SES students and schools, regardless of the sector. This funding should be additional government funds and not re-allocated from current recurrent or needs





based funds. Recent AISSA activities have shown the potential for dramatic change in low SES schools with significant additional assistance.

The AISSA supports the continuation and enhancement of programs which focus on teacher and leadership quality, as proposed in the Nous paper, through additional government funding. It is essential that these programs enable the continuation of innovative approaches to teacher and leadership professional development which currently occur in the South Australian Independent sector.

Any funding for particular needs or initiatives is most effectively administered by the school, system or sector, under arrangements established directly with the funding provider, and not with the involvement of other levels of government or other education providers.

Arrangements should not be restrictive and burdensome but rather foster innovation, autonomy and the capacity to respond to the needs and opportunities in the school, system or sector. They should be funded by additional allocations and not by a reallocation of recurrent funding.

The research papers offer a range of proposals, a number of which make a useful contribution to the review process as outlined in this response. However, the research does not comprehensively address all factors which the Review Panel must consider in its deliberations. Further some of the findings in the papers are based on unsubstantiated opinion rather than valid analysis of data and the outcomes of other research.



## 1.0 | Research Papers

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In this section the AISSA makes specific comments about the findings of the commissioned research papers.

### 1.1. | *Assessing Existing Funding Models for Schooling in Australia, Deloitte Access Economics*

The AISSA supports the underlying premise in the *Assessing Existing Funding Models for Schooling in Australia* paper in that ‘the overarching objective of Australia’s schooling system is to deliver a high quality education for Australian students that leads to high quality student outcomes (pi). A funding model should support this objective, which is consistent with AISSA’s focus on excellence in education.

#### 1.1.1. | *Deloitte Funding Model Principles*

The AISSA welcomes the ten funding principles identified in this paper which are in general consistent with AISSA’s key principles for the funding of schooling as outlined in previous submissions to this Review. The AISSA particularly welcomes the principle that funding models shouldn’t create barriers to attracting private income, on the basis that this means that funding models should not be a disincentive to attracting private income.

#### 1.1.2. | *Certainty as a Primary Principle*

The AISSA notes that the Deloitte’s paper makes a distinction between primary principles and secondary principles. Primary principles, defined as equity, effectiveness, adequacy, efficiency and incentive, are those considered to directly impact on the level of funding allocated. By contrast secondary principles defined as certainty, flexibility, transparency, accountability and simplicity are seen to be process orientated and in support of primary principles.

It is essential that ‘certainty’ is regarded as a primary principle, instead of a secondary principle. Any changes that negatively impact on government funding should only occur following substantial notice. Fluctuations in funding without extensive notice can have a

dramatic impact on Independent schools, particularly as very few Independent schools in South Australia have significant financial reserves, with most having substantial loans for capital works. Many banks require Independent schools, which do not have the financial support of a school system, to have long-term financial plans as a condition of loans for capital works and the South Australian Non-Government Schools Registration Board (NGSRB) requires schools to provide annual budgets covering a five year period. Certainty in funding is critical to Independent schools being able to undertake long term planning.

### 1.1.3. | Additional Primary Principles

*In addition to the outlined principles four further primary principles – choice, diversity, basic entitlement and excellence – necessitate inclusion*

The AISSA recommends the inclusion of four further principles as primary principles, which will strengthen the development of any funding model. These are basic entitlement, choice, excellence, diversity and would operate as follows.

- Basic entitlement –the extent to which funding arrangements recognise that all students are entitled to a significant level of government funding to support their education.

This principle recognises that all students deserve a significant level of recurrent government funding to support their education and additional funding to support their needs.


- Choice –the extent to which funding arrangements support choice in education for parents and families.

This principle recognises the right of parents to choose an education that is consistent with their values and best suited to their children’s education requirements. The availability of choice has been a key driver in improving Australia’s education performance.

- Excellence –the extent to which funding arrangements embed excellence in education.

While the concept of high outcomes is covered in the definition of effectiveness this is not sufficient. The principle of excellence recognises that high quality care and education offers students values, knowledge and skills which are directly linked to





the economic and social development of the nation. Excellence is also recognised in the Melbourne Declaration as a key goal.

- Diversity - the extent to which funding arrangements support a diverse range of schools options.

Diversity in schooling builds community capacity and provides opportunities for families to choose a school compatible with their values and suitable for their children's particular educational requirements. Funding arrangements underpinned by principles of competitive neutrality provide conditions which support diversity. This includes that funding should not vary between schools because of different faiths, ethos, or educational philosophy.

Significantly, many of the key elements of the current Australian Government funding arrangements for Independent schools are consistent with these funding principles.

#### 1.1.4. | Application of Fourteen Funding Principles


The AISSA's support of the outlined funding principles is subject both to the addition of the above principles and the way in which they would be applied in a funding model. The AISSA supports their application in the following terms.

The principle of **equity** should operate to ensure that the specific needs of individual students experiencing educational disadvantage are recognised with additional government funding and support, regardless of the school or sector they attend. In addition, all schools and early childhood services must have equitable access to specific purpose government funding including government initiatives such as national partnerships to meet key education and national priorities, targeted funding and capital works.

Government funding for groups of students that experience educational disadvantage such as students with disabilities, Indigenous students and students from low SES backgrounds should be increased; however, this should not be at a cost of funding for other students.

Government funding of students with disabilities should be at the same level regardless of the school or sector attended and be provided at the school, system or sector level. This application is consistent with the Review's definition of equity, which is to reduce the impact of differences in wealth, income, power or possessions on educational outcomes.





It should be recognised that aspiring to **excellence** for all is the most effective means of achieving equity. The principle of **equity** should further operate to ensure that all Australian families have equitable access and thereby **choice** in schooling options.

Government funding of Independent schools, including a **basic entitlement** for all students, is an excellent investment and is an **effective** means by which governments can support high quality outcomes in education. **Diversity** in schooling options also supports **excellence** in education outcomes.

**Adequacy** incorporates an Australian Government recurrent funding model for non-government schools that has a significant base per capita level of government funding and a needs component based on the socio-economic background of each school community and other school and student based characteristics. The average cost of educating a child in a Government school should be the common mechanism for determining the per capita recurrent needs funding allocated to each Independent school. Adequacy also incorporates additional funding for students with additional educational needs, such as students with disabilities and appropriate additional funding for other government initiatives and priorities.

Government funding provided directly to the Independent school sector, administered by the Independent school sector and guaranteed through legislation is the most **efficient** and **effective** means of supporting high quality educational outcomes for students in Independent schools.


**Incentive:** Government funding arrangements should support parent and community investment in education. Schools should not be disadvantaged by attracting private income from parents and others in the school community. Any proposed NSRRS or similar measure should not be used as a mechanism to penalise schools which attract private income.

**Certainty** in funding should ensure that all schools and system authorities have stability and predictability in government funding which is essential to ensuring high quality outcomes. No school student or family should be disadvantaged through changes to funding arrangements and funding should be indexed in line with the real costs of education.

**Flexibility:** The local autonomy of Independent schools and system authorities is a key component in enabling schools to meet the needs of school communities and produce high quality outcomes and must be maintained. Funding requirements should not restrict or inhibit local governance and management autonomy.

A key strength of the non-government school sector is its transparency. It is essential that government funding arrangements for all sectors are **transparent** and equitable. On this





point it should be noted that in South Australia Yr 7 is funded at primary levels whereas in other states it is funded at secondary levels.

**Accountability** requirements are most effective when based on educational objectives and there is not duplication of requirements. Governments should recognise the significant **accountability** of Independent schools and system authorities to parents and communities and also to governments under significant legislative requirements.

**Simplicity** in funding administration means that compliance costs are minimised so that resources are directed towards schools and students and related to the level of funding for the program. The administration of funds to the Independent school sector is most effective when the sector works directly with the funding provider and is not required to administer programs through other levels of government or other education providers.

#### 1.1.5. | Optimal Funding Architecture

In general the AISSA supports the key components outlined in the optimal funding architecture. The AISSA makes specific comment on points 1, 3, 4, 8 and recommends the inclusion of a tenth point.

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


It is crucial that any linkage of a funding model, which includes recurrent and capital funding, to policy objectives should be contained to the visionary level, for example:

“Australian schooling promotes equity and excellence”

This will ensure that the recurrent and capital components of the funding model cannot be subject to narrow political agendas and is in keeping with the Melbourne Declaration.

Where there is additional funding for specific government initiatives to meet key education and national priorities, the public policy objectives should allow flexibility for implementation to enable schools to be innovative, autonomous and responsive to the needs and wishes of their communities thereby achieving the overarching policy objectives.





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

While it is important that research is utilised in determining funding rates, there is an increasing trend toward narrow data sources, for example, NAPLAN and OECD results, that do not accurately reflect the widely accepted broad and comprehensive goals of schooling, including those expressed in the Melbourne Declaration. Basing funding on what are limited results could lead to a misallocation of funding. The AISSA has serious reservations about whether it is appropriate for NAPLAN results to be used for funding purposes as it is not consistent with the objectives of the NAPLAN tests. Moreover, NAPLAN results are frequently portrayed as far more significant and comprehensive indicators of education standards than is the case. Using minimum standards as a benchmark for funding purposes is surely contrary to building an aspirational education system.

### **4. Funding formulae are reviewed – and as appropriate recalibrated – on a periodic basis and in a systematic fashion, drawing on cost and outcome data**

The AISSA agrees that funding formulae should be reviewed on a periodic basis, however, in keeping with the principle of certainty there must be transition processes to support schools cope with any changes that negatively impact on funding levels.


### **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.**

It is inappropriate to link recurrent funding to specified activities and requirements other than core curriculum expectations. All schools must have autonomy and flexibility, as outlined in the above funding principles, to meet the needs of their students. Flexibility is crucial in supporting innovation in education and in responding to the needs of particular school communities and students.

The mechanisms to ensure that resources are used consistently with the policy intent should not be administratively burdensome, thereby diverting valuable resources and time away from the point of most benefit to students.

Where there is additional funding for specific government initiatives, the mechanisms should allow flexibility to enable schools to be innovative, autonomous and responsive to the needs and wishes of their communities, without burdensome accountability requirements.





The AISSA recommends the inclusion of the following point:

**10. Optimal funding models ensure appropriate consultation processes which include all education providers.**

Non-government schools educate over one third of Australian children and are key providers of high quality education services. This proportion is higher for secondary enrolments. It is essential that appropriate high level Government consultation processes for the Independent school sector are embedded in funding models, in particular in relation to strategic decisions with potential implications for Independent schools.

1.1.6. | **Concluding Comments**

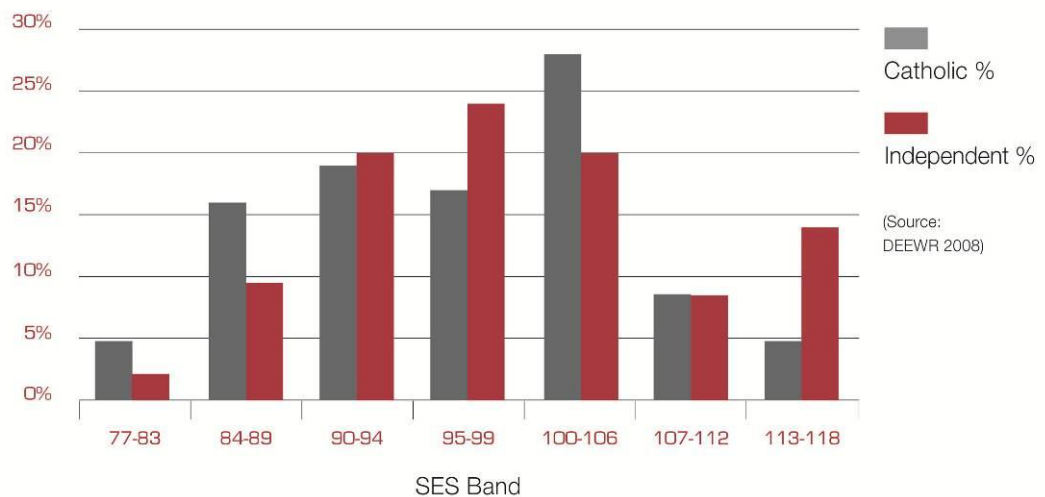
The AISSA indicates its general support for the ten funding principles which would underpin a funding model, as articulated in the paper. This support is, however subject to schools not being disadvantaged by obtaining private funding, the principles being applied in an appropriate manner and the primary principles also including certainty, choice, diversity, basic entitlement and excellence.

1.2. | **Assessment of Current Process for Targeting of Schools Funding to Disadvantaged Students, Australian Council for Educational Research (ACER)**

Improving the educational outcomes for disadvantaged students is a key challenge for all Australian governments. Hence, the AISSA welcomes the review's focus in this area. South Australian Independent schools serve students and families from a wide range of social, cultural, economic and education backgrounds.



**Chart I** Percentages of South Australian Catholic and Independent Schools by SES Band 2009- 2012




The SA Independent school sector educates a significant number of students experiencing educational disadvantage including:

- 4,941 students (11.2% of total enrolments) on School card<sup>2</sup>
- 1,309 students (3% of total enrolments) with a disability (under Commonwealth definitions)
- 6,313 students (14.3% of total enrolments) with Learning Difficulties
- 506 Indigenous students (1.1% of total enrolments)
- 3,163 students (7.2% of total enrolments) with a language background other than English (Source: Advisory Committee on Non-Government Schools Census of Needs 2010).

However, additional government funding to support disadvantaged students is limited, in particular, as the report identifies, in relation to students with disabilities. It should be noted that while many learning difficulties are covered under the Disability Discrimination Act 1992 schools receive no funding from the Australian Government to support the additional needs of these students.

<sup>2</sup> The South Australian School Card scheme provides assistance for parents/caregivers of low income earning families with the costs of materials and services charges and other educational costs.



The AISSA notes that there were a number of significant problems with the data collection process, some of which have been acknowledged in the report. These issues unfortunately undermine to an extent the proposals in this report and appear to have led to a number of incorrect generalisations regarding the non-government sector in general and the Independent school sector in particular. Educating low SES students is not, for example, the bastion of one sector in South Australia and it is unacceptable that the needs of low SES students in the Independent sector are ignored because of stereotypes.

Notwithstanding these concerns, the report raises a number of interesting concepts, in particular in relation to students with disabilities, on which comment is provided below. Significantly, the AISSA notes considerable similarities with the current model of administration in the SA Independent sector for Australian Government Targeted Programs and the pooled funding model for allocating funding for students with disabilities recommended to support students with disabilities in non-government schools. As identified in the AISSA Response to the Emerging Issues Paper the AISSA's administration of Targeted Programs is a benchmark for the efficient and effective distribution of government funds. A critical element of the Targeted Program model is that it is administered within the sector and through arrangements with the funding provider and not with the involvement of other levels of government and education providers. Hence, it enables direct response to the needs of the sector.

#### 1.2.1. | Standard Disabilities Entitlement


The AISSA supports a standard disabilities entitlement 'to frame a minimum funding standard for students with disabilities.' However, rather than be confined to the non-government sector this should be applied to all students with disabilities regardless of the school sector they attend in recognition of their specific needs. The AISSA considers that additional funding to support the needs of students with disabilities should be allocated at the same level regardless of school or sector. However, in order to ensure responsiveness to the needs of the particular students and schools, and efficiency in distribution, and thereby enhanced educational outcomes, it must be allocated at the school, sector or system level.

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*Additional funding to support the needs of students with disabilities should be allocated at the same level regardless of school or sector*

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It is essential that additional funding (and services) to support the needs of students with disabilities be provided by governments in addition to existing recurrent funding rather than being ‘creamed’ off the current recurrent grant as per one proposal in the report.

Recurrent funding supports the general cost of education, which is applicable to all students regardless of educational need. However, some students require additional funding to further support their educational needs.

It is essential that funding for students with disabilities also encompass capital infrastructure.


The paper proposes a pooled fund, which ‘could be under the control of the relevant education authority’. The pooled fund reflects the model of administration for Australian Government Targeted Programs in the SA Independent school sector. The AISSA’s administration of Targeted Programs meets the principles of equity, efficiency and effectiveness as identified in the Deloitte’s report and the AISSA strongly recommends its continuation.

The AISSA’s efficient management of Targeted Programs is in direct contrast to the National Partnership administrative model, which requires the AISSA to work through the State Government and not directly with the Australian Government, even though the Australian Government is the funding provider. The National Partnership model is administratively inefficient and, hence, contrary to the principles of efficiency and effectiveness as identified by Deloitte’s as primary principles which should underpin a funding model.

### 1.2.2. | Low SES

The AISSA challenges the generalisations in the paper regarding low SES students. Low SES students are educated in schools in all sectors. As noted above (page 11) 11.2% of SA Independent school students are eligible for SA Government School Card, which is a measure of low income. The Independent school sector also includes a number of schools located in socio-economic disadvantaged areas, as indicated in the chart above (page 11) illustrating the SES bands of SA Independent schools. These generalisations are also inconsistent with the eligibility of a significant number of SA Independent schools to participate in the low SES National Partnership. The AISSA has utilised funding from this National Partnership to undertake comprehensive school reviews of participating schools and assisted them to implement long-term school improvement strategies. The AISSA expects this strategy to have a significant positive impact.





The issues faced by low SES students are as relevant in Independent schools as they are in government schools. The AISSA supports increased funding for low SES schools but this funding should not be confined to the government sector which already receives by far the bulk of the additional Commonwealth funding via various programs for disadvantaged students. The AISSA would not under any circumstances support the use of ICSEA in identifying low SES students. The ICSEA has been designed as an indicator for measuring educational advantage and does not measure socio-economic status.

There is now a body of research showing that the differences between the performance of government and non-government schools after controlling for social economic differences are the result of the more effective operation of non-government schools. Further research should be undertaken to identify the key drivers of high performance.

Schools in low SES regional and remote areas face particular challenges, for example, with regard to access to expertise. With the exception of the Targeted Programs Country Areas Program little additional funding is available to support schools in these areas. The AISSA recommends an additional loading be available for schools in regional and remote areas as a component of any new funding arrangements.

### 1.2.3. | Indigenous

A significant number of Indigenous students attend SA Independent schools, with enrolments of Indigenous students increasing from 403 students in 2005 to 506 students in 2010 (Source: Advisory Committee on Non-Government Schools Census of Needs 2005 and 2010).

The AISSA supports increased funding to meet the educational needs of Indigenous students. The absence of an Australian Government funded Program to provide support services to Indigenous students attending Independent schools in South Australia is inequitable, as all funding for Indigenous education is incorporated into each Independent school's recurrent grant (for non-systemic schools) and to school systems (for systemic schools). With small numbers of Indigenous students attending some schools, it is difficult for these schools to fund expert support or implement sustainable programs for these students. To provide support services, the AISSA negotiated with the Commonwealth an agreement that enables Independent schools to voluntarily provide the AISSA with 15% of their school's Indigenous Supplementary Assistance however, this is administratively inefficient.

#### 1.2.4. | Concluding Comments

The AISSA agrees that addressing educational disadvantage needs to encompass a comprehensive approach, with access to both expertise and funding at the ground level. In order to make a long term difference it is essential that funding to address educational disadvantage is both substantial and sustained and underpinned by the funding principles identified in the Deloitte’s paper such as flexibility, equity and simplicity. In this regard, any funding for particular needs or initiatives is most effectively administered by the school, system or sector, under arrangements established directly with the funding provider, and not with the involvement of other levels of government or other education providers.

Any funding for particular needs or initiatives should be from additional government funds and not re-allocated from current recurrent funding.

#### 1.3. | Feasibility of a National Schooling Recurrent Resource Standard, The Allen Consulting Group

The AISSA does not have confidence that the National Schooling Recurrent Resource Standard (NSRRS), as outlined by the Allen Consulting Group would or could be an accurate indicator of the cost of providing high standard schooling.


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Any Standard which relies on outcomes must comprehensively and accurately address a range of valid outcomes to be appropriate and accurate. The Melbourne Declaration is an indication of the nationally agreed wide range of outcomes considered to be important. There are many aspects of education that are widely recognised by families, educators Governments and significantly in the Melbourne Declaration as critical to high standard schooling that would not be covered by the proposed measures of education outcome. On the basis of the content of the research paper we are not confident that a valid correlation can be made between levels of funding and educational outcomes.





As outlined in the ISCA paper the NSRRS appears significantly flawed and on that basis it should not replace the Average Government School Recurrent Cost (AGSRC). There are significant concerns about the lack of robust data and clear definitions. In addition, the paper does not take account of the challenges of agreeing outcomes, identifying appropriate reference schools or agreeing on efficient costs and appropriate loadings<sup>3</sup>. A NSRRS based on meeting minimum standards in NAPLAN is very likely to significantly understate the costs of providing high standard school education and may lead to an inequitable distribution of funding. Depending on how the NSRRS is utilised in any new funding arrangements it could have significant implications for the long-term viability of individual schools.

The paper identifies five ways in which an NSRRS could theoretically be used in the schooling context, including as a potential replacement for the AGSRC. It is essential that extensive modelling is undertaken and publically released prior to any proposed implementation either as a potential replacement of the AGSRC or for any other purpose to enable all stakeholders to assess the validity of the approach.

The AISSA has significant concerns regarding the use of the narrow measures of NAPLAN and MySchool data to construct an NSRRS. NAPLAN provides a point in time snapshot, which when triangulated with other school data provides information at the school level. The focus on minimum standards is unacceptable. The financial data on the MySchool website has a number of well known limitations. For example, the financial data on MySchool refers only to income and does not identify recurrent expenditure and there remain significant comparability issues across school sectors (as outlined in an independent report to ACARA). No justification is also provided for the use of disadvantaged LBOTE.


It is of significant concern that the paper recommends the use of the ACARA developed Index of Community Socio-educational Advantage (ICSEA) as a measure for low SES. The ICSEA is not an intended measure of SES, a point made clear by ACARA. Further, the ICSEA is currently based on parent background data, which as outlined in the AISSA Response to the Emerging Issues Paper, has a number of serious problems which significantly limit its validity as a statistical measure.

The underlying premise of the NSRRS is that it is a measure of ‘the level of resourcing per student from all sources that efficiently and effectively applied over time, would enable students serving schools with minimal levels of educational disadvantage the opportunity to meet agreed national educational outcomes.’ The NSRRS is not proposed to ‘indicate the level of resources required for a school to achieve “exceptional” performance.’ This

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<sup>3</sup> See the ISCA response to the Commissioned Research papers for a comprehensive analysis of these issues.





position is not in keeping with the Review’s focus on a world class education system. It is also inconsistent with the funding principles outlined in the Deloitte’s paper.

The AISSA considers that any resource standard should be aspiring with a focus on excellence not just on meeting basic outcomes. A resource standard should preserve basic entitlement but should also encompass the wide range of activities schools undertake. Appropriate indexation in regard to recurrent, targeted and capital funding should be in line with the real costs of education.

### 1.3.1. | Concluding Comments

The AISSA’s policy position is that the Average Government School Recurrent Cost (AGSRC) should remain as a basis for determining Australian Government recurrent funding unless a better alternative is developed. The AISSA does not believe that the NSRRS as outlined in the Allen Consulting Paper has the potential to be a more effective alternative to the AGSRC.

### 1.4. | Challenges and Opportunities in South Australian Schooling, The Nous Group Consortium

As the Nous Group paper indicates international test results confirm that Australia has a successful school system. The AISSA supports the Review’s intention in determining what contributes to Australia’s success and also how performance can be further lifted, both in general and for those students not achieving acceptable outcomes.

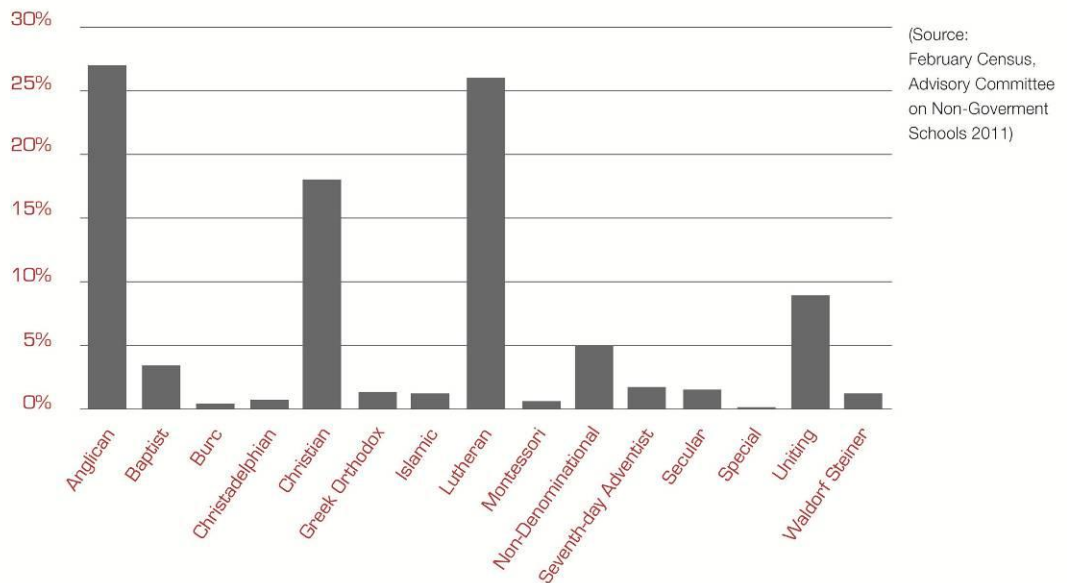
The AISSA has, however, serious concerns with a number of incorrect sweeping generalisations made in the Nous Group paper about Independent schools which add little to the debate and detract from some useful proposals.

The AISSA strongly rejects the claim, for example, 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 (p6).’ This statement does not reflect the reality of current enrolment practices, particularly in South Australia. In South Australian Independent schools, enrolment is rarely based on a student’s academic record, except in limited cases where scholarships are offered to students who may not otherwise have the opportunity to go to the school. In many South Australian Independent schools the primary consideration is family support

for the school's ethos. Families choose Independent schools for a range of reasons, in particular because of consistency between family values and school ethos and because they provide the most suitable education for their child. Moreover, South Australian government schools' zoning rules and student selection practices for some higher performing government schools mean that the SA Government sector is arguably more selective than the Independent sector.


As identified in the discussion on the ACER paper the SA Independent school sector educates students from a wide range of cultural, social and economic backgrounds, including 11% of students eligible for the SA State Government School Card scheme. As the chart below demonstrates the majority of Independent school students are educated in Independent schools underpinned by a particular religious affiliation.

**Chart II** Percentages of South Australian Independent School Students by Schools' Religious Affiliation and Educational Philosophy 2011



#### 1.4.1. | Specific Levers for Improvement

The AISSA reiterates its serious concerns regarding the assumptions about Independent schools in the Nous Paper, which we believe are not supported by independent evidence. However, in good faith we provide the following comments on the six specific



levers for improvement, identified in the paper, in order to progress the outcomes of the Review.

### **Improving the quality of teachers and of teaching**

The AISSA supports the continuation and enhancement of programs which focus on teacher quality and development. However, it is essential that these programs are not prescriptive thereby enabling the continuation of innovative approaches to teacher professional development which currently occur in the South Australian Independent sector, through Targeted Program funding and National Partnership funding.

Funding for enhancing teacher quality is most effectively administered by the school, system or sector, under arrangements established directly with the funding provider, and not with the involvement of other levels of government or other education providers.

### **Ensuring the right external standards and oversight**

Independent schools and system authorities are currently highly accountable to parents, communities and governments. Accountability to parents is greater than in government schools because of the contractual arrangements with parents. As noted previously government accountability requirements are most effective when based on educational objectives and there is not duplication of requirements. In line with the funding principles outlined in the Deloitte's paper, accountability processes should minimise compliance costs to ensure that resources are directed to the point of most benefit to students.


### **Promoting regional level collaboration and networked schools**

In South Australia there is significant collegiality within the Independent sector, between the three schooling sectors and between schools and their communities. The participation of Independent schools in regional areas in 'collaboration and joint initiatives' with the proposed regional community bodies will be a decision made by the individual school and, where appropriate, system authority and should not be a requirement for receiving government funding.

### **Supporting disadvantaged students**

The AISSA agrees that government funding should be increased to support students experiencing disadvantage and strongly recommends the continuation of Targeted Program funding, with indexation in line with the real cost of education, under the current administrative model. Funding currently provided under National Partnerships to support students should also be administered through the South Australian Independent Targeted Program model.





The AISSA does not support the redistribution of funding from what are claimed to be ‘well-resourced selective schools which are not providing “value add” in terms of student performance.’ This proposal appears to be based on ideology rather than independent evidence about the characteristics of schools or the needs of individual students. The implication that well-resourced schools are not providing “value add” is strongly rejected.

It is also important to note there has been substantial government investment in supporting disadvantaged students within the government sector. This has not necessarily led to improved student or school outcomes.

In keeping with the principle of equity the AISSA considers that more families from lower-socio economic backgrounds should have access to choice in schooling. The South Australian School Card scheme is one method of assisting lower income families to access Independent schools.

#### **Investing in underperforming schools where there is a concentration of disadvantage**

The low SES National Partnership has enabled AISSA to implement a school improvement strategy for schools located in low SES areas. The schools were not necessarily underperforming but recognised the potential to improve. The AISSA has significant concerns with labelling schools as underperforming. The AISSA low SES strategy encompasses a school review process followed by the development of a school improvement plan. Professional development is also provided to support school leaders and teachers enhance school outcomes. The AISSA recommends the continuation of sustained government funding in this area. Again the AISSA reiterates that the South Australian Independent school Targeted Program administration model is the most effective and efficient means of utilising this funding.

#### **Bringing it all together: strong leadership to drive school improvement**

It is clear that strong leadership is a key driver of school improvement. Funding through the Teacher Quality National Partnership has been instrumental in enabling AISSA to provide an extensive, innovative, highly regarded and popular leadership program. The AISSA recommends the continuation of this funding, however future administration should be under a South Australian Independent Targeted Program model.

#### **1.4.2. | Concluding Comments**

The AISSA does not accept the sweeping generalisations and assertions in the paper about non-government schools, which are based on outdated stereotyping of the sector.



Such generalisations are not a sound basis for making decisions about future funding models and detract from some useful proposals in the paper.

“

*Additional funding should be administered by the respective school, system or sector under arrangements directly established with the funding provider, that...foster innovation, autonomy and the capacity to respond to the needs and opportunities in the school, system or sector*

”

The AISSA supports additional government funding being provided to support improving the quality of teachers and teaching, leadership development, improved outcomes for disadvantaged students and investing in ‘underperforming’ schools where there is a concentration of disadvantage. This funding should be in addition to existing recurrent and targeted funding rather than reallocated from within. Additional funding should be administered by the respective school, system or sector under arrangements directly established with the funding provider, that, rather than restrict, foster innovation, autonomy and the capacity to respond to the needs and opportunities in the school, system or sector.

## 2.0 | Concluding Comments

To a varying degree the research papers have made a positive contribution to the Review. The valid findings and proposals have been identified in this submission. However, there are significant deficiencies in some of the papers (as outlined in the ISCA submission) which detract from the quality of the papers. The AISSA’s careful consideration of the research papers has validated its recommended ‘Key Elements of a Funding System’ as outlined in its response to the earlier Emerging Issues paper.