

**SENATE SELECT COMMITTEE ON SCHOOL FUNDING  
PUBLIC HEARING – SYDNEY 13 MARCH 2014**

**ISCA OPENING STATEMENT – Mr Bill Daniels**

Introduction

- ISCA welcomes this opportunity to meet with the Committee. We will provide a substantive submission by the due date of 21 March 2014 and I have already provided the Committee with a brief synopsis of the key points that will be covered in ISCA's submission and a description of the sector.
  
- The Independent Schools Council of Australia is the peak national body covering the independent schools sector. ISCA comprises the eight state and territory Associations of Independent Schools. The Executive Directors of three of these Associations are with me today – Valerie Gould (AISWA), Geoff Newcombe (AISNSW) and David Robertson (ISQ).

Key points

- Whilst on average, the majority of funding for independent schools comes predominantly from parents, public funding and in particular Commonwealth Government funding is of critical importance to the sector. This is particularly the case for the many independent schools serving low socio-economic communities. In the independent sector, the most recent changes to school funding arrangements impact at the individual school level and are therefore a high stakes issue for the sector.
  
- The Committee's Terms of Reference refer to the development of 'national school funding arrangements'. It is clear that the current situation with school funding in Australia is anything but 'national'. With each state and territory government and the Commonwealth Government operating different funding arrangements across all three schooling sectors, there are at least twenty seven different funding models in operation. This is even more complex than the previous arrangements. The treatment of Students with Disability in Special Schools across sectors is inequitable and requires immediate attention to provide some semblance of fairness to the independent sector.
  
- Regrettably, independent schools are left with the consequences of the inability of nine governments over the past three years to devise a better funding model, despite having a blueprint in the form of a comprehensive Report by the Review Panel.

**So why is there no 'national' funding model?**

- the signatory states/territory all negotiated differing implementation agreements with the Commonwealth Government;
- not all jurisdictions signed agreements with the previous Commonwealth Government;
- government and non-government systems will continue to redistribute funds according to their own needs-based methodologies;
- a measure of capacity to contribute operates for non-government schools only but not for government schools;
- the confidentiality conditions imposed on the parties inhibited sensible outcomes;
- the new Commonwealth Government has only committed to the initial four years of the funding arrangements rendering it unlikely that the model will ever be fully implemented.

- The irony of this outcome is that the only schools that the new funding arrangements actually apply to are the 900 non-systemic independent schools. The other 8,500 schools are either Government schools or part of non-government systems. They have retained their long-standing capacity to redistribute aggregated funding across schools according to their own methodologies.
- In reality, the nature of Commonwealth/state relations, the operation of the Australian Constitution and the vast differences in the governance of and funding arrangements for government and non-government schools has meant that the vision of a national funding model was always going to be a chimera, a commendable but unachievable vision.
- The funding arrangements currently being implemented in independent schools are not the Better Schools funding arrangements. The funding arrangements in 2014 represent a small, incremental step towards a model which it is now clear, will never come to fruition. Unfortunately the well-intended efforts to create a 'national funding model' have left us with merely the rhetoric of a national funding model, and a reality that we have a more complex situation than existed before. This is most unsatisfactory.

### **So, is there a way forward?**

- The independent sector would encourage governments to put in place funding arrangements which meet the criteria of effective and efficient funding models including: equity, incentive, flexibility, transparency, simplicity, predictability, consistency and be based on reliable, robust data which is fit for purpose.
- Funding models need to acknowledge that there are fundamental differences between the funding and governance arrangements of government schools which are fully publicly funded and centrally regulated and non-government schools which are part publicly funded with substantial parental contributions and in most cases operate independent of any centralised control.
- Funding models also need to recognise that government funding directed to individual independent schools cannot be re-allocated as occurs in both government and non-government systems. So models of public funding need to meet the needs of stand-alone independent schools. For these schools, stability is essential.
- Perhaps it is time to acknowledge the reality that systemic approaches will remain a feature of school funding into the future.
- In order to address educational disadvantage, we should also acknowledge that nominally directing small amounts of additional funding directly to individual schools does not reflect the reality of what occurs in the vast majority of schools and nor is it the most effective approach to addressing certain types of educational disadvantage such as students with disability. Providing block grants to sectors to allocate to schools according to the needs of these students, is a more flexible and responsive approach.
- We would urge the Committee to recommend that the Commonwealth Government moves quickly to amend the funding arrangements in a way that meets the good public policy criteria I have already referred to.
- My colleagues and I would be happy to take any questions that the Committee may have.