



Principles of Funding

Good public policy demands that government funding models have sound foundations.

The independent schools sector believes that governments should base public funding of independent schools on four key principles:

- stability
- reasonable basic entitlement
- needs-based funding
- annual indexation.

Stability helps families and schools

Schools need stable and predictable funding over a number of years to plan and deliver their education programs to students consistently. Parents intending to send their children to independent schools also need to plan their finances in advance to pay school fees.

The level of fees paid by parents in an independent school is determined by:

- the cost of the particular education the school provides
- the level of government funding provided to the school.

Independent schools can only be low-fee if they receive reasonable funding from governments.

Stability in government funding allows schools to predict the private contribution required to sustain the quality and range of education programs offered. Frequent or hastily introduced changes to government funding schemes undermine school planning, and can cause financial hardship for parents or disrupt the continuity of students' education.

The independent sector strongly endorses the long standing precedent of legislated quadrennial Commonwealth Government funding for non-government schools, adjusted annually to meet cost increases.

All young Australians deserve reasonable public support for their school education no matter which school they attend.

A reasonable basic entitlement

Governments have a responsibility to provide each Australian child – no matter what their family background or what school they attend – with reasonable basic funding for their schooling.

For 40 years, governments have recognised the value of public funding for all school students. Public funding acknowledges that schooling is an important public good and vital to our future as a nation. All students are members of the wider community and all schools, including independent schools, bring benefits to society through the provision of education to our young people.

Public funding of students in independent schools also provides incentive and support for families who make a significant private contribution to the education of their children.

Public funding models for independent schools must therefore have as their foundation **a reasonable level of funding support for every student.**

Needs-based support

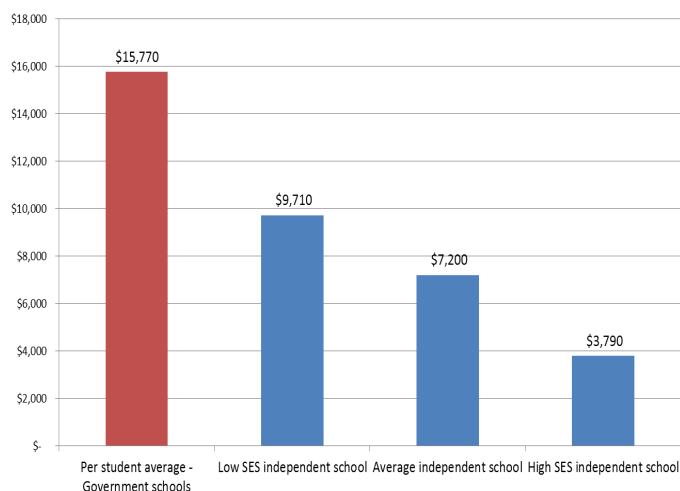
A basic per student grant for students in non-government schools should be supplemented by a needs-based approach to funding to recognise the relative educational disadvantage of students.

An approach to estimating the relative need of a school community which utilises the socio-economic status (SES) of a school community using Australian Bureau of Statistics (ABS) data is the most robust data on which to base an effective, needs-based funding model.

The use of ABS data ensures that student educational disadvantage is assessed using independent data which cannot be manipulated and is transparent and rigorous.

Funding arrangements that estimate student educational disadvantage or school community capacity to contribute should encourage, not discourage, parents from making a financial contribution to their children's education or impose a financial penalty on school communities' fundraising efforts.

Total Government Recurrent Funding Per Student – Government and Independent Schools, 2011-12



In 2011-12, combining both state and Australian Government funding, public support for a student in a government school was on average \$15,770 – but for a student in an independent school the amount of funding varies significantly depending on the circumstances of the school. Total government funding for a student in an average independent school was \$7,200 per year.

Students in independent schools receive most of their public funding through Australian Government grants for non-government schools. These grants are allocated according to estimated capacity to contribute. How much a student receives depends on the school they attend.

Taking into account both state and Commonwealth Government public funding, students in independent schools on average receive less than half the funding of students in government schools. Many students in independent schools get significantly less.

Students in independent school communities that have the least capacity to raise funds are eligible for more public funding.

Students with special needs

As well as base grants for students at independent schools, the Australian Government provides funding loadings to support students with special needs, including:

- students with disability
- students from non English speaking backgrounds
- Indigenous students
- students from regional and remote areas.

Students with disability can have very high-level needs for classroom support, specialist help and facilities. For students attending government schools, these needs are met with substantial funding and services. However, students in independent schools can lose eligibility for this level of public support. The funding gap can be over \$40,000 per student per year.

The independent sector believes that if all students with disability are to achieve their educational goals, assessment of need should be based on reliable, up to date and transparent data, and government funding and services should be accessible no matter which school these students attend.

Students with disability should have access to the public funding and services they need no matter which school they attend.

Keeping up with cost increases

Continual improvement in education programs, compliance costs for increasing government regulation and movements in salaries and conditions for staff all contribute to the rising cost of schooling.

To avoid any decrease in the quality of education offered by schools it is important that public funding for students keeps pace with increased costs through annual indexation of grants based on a specific schools index.

The independent schools sector strongly endorses a policy on indexation for schools funding according to a measure that adequately reflects the rising costs of schooling.

In the independent schools sector, parents also contribute to rising school costs through fee increases.