



National School Resourcing Board Review of Regional Schooling Resource Standard Loadings

Submission by Independent Schools Australia (ISA)

6 November 2020

About ISA

Independent Schools Australia (ISA) is the national peak body representing the Independent school sector. It comprises the eight state and territory Associations of Independent Schools (AISs). Through these Associations, ISA represents a sector with 1,148 schools and almost 632,000 students, accounting for approximately 16 per cent of Australian school enrolments. ISA'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 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.

Many Independent schools have been established by community groups seeking to meet particular needs. Examples include the Independent community schools for Indigenous students in remote areas, Special schools for students with disability and boarding schools to educate children from regional and remote areas. There are also schools that seek to reflect the religious values of a particular community or that seek to practise an internationally recognised educational philosophy such as Rudolf Steiner or Montessori schools. Independent Catholic schools are a significant part of the sector, accounting for eight per cent of the Independent sector's enrolments.

Most Independent schools are set up and governed independently on an individual school basis. However, some Independent schools with common aims and educational philosophies are governed and administered as systems, for example the Lutheran systems. Systemic schools account for 18 per cent of schools in the Independent sector. Four out of five schools in the sector are autonomous non-systemic schools.

Summary of Key Points

Independent sector regional and remote schools are a diverse range of schools serving their local communities. While enrolments in these schools is growing at the same rate as metropolitan enrolments, the provision of quality education in regional and remote areas is often challenging and incurs additional costs.

These costs include transport, curriculum, staffing costs, ICT, and technology. Every element of the cost of the provision of education is higher in regional and remote areas due to distance from central services.

It is appropriate that these costs are recognised in the Australian Government school funding model and it is timely for the loadings which are designed regional and remote schools are reviewed.

The independent sector is the largest provider of boarding in Australia and this submission recognises the additional costs and challenges of providing boarding services to a diverse cohort of students. Regional boarding schools not only serve regional and rural families, but also highly disadvantaged Indigenous students.

ISA recommends that the National School Resourcing Board:

- Investigate updating ARIA+ in the current funding model with scores reflecting the most current available data and assess potential impacts
- Expand the definition of 'regional' in the current funding model and align the DESE and ABS use of ARIA+
- Revisit the construction of the size loading and potential disincentives to growth
- Examine whether the loadings currently meet the needs of regional and remote schools and if the quantum of funding for the two loadings should be increased to better deliver adequate funding to address the challenges posed by both school location and school size
- Examine whether the funding model can accommodate size and location loadings for campuses
- Examine the additional recurrent costs of boarding to ensure the on-going viability of the vital and important service that boarding schools provide to regional and remote communities.

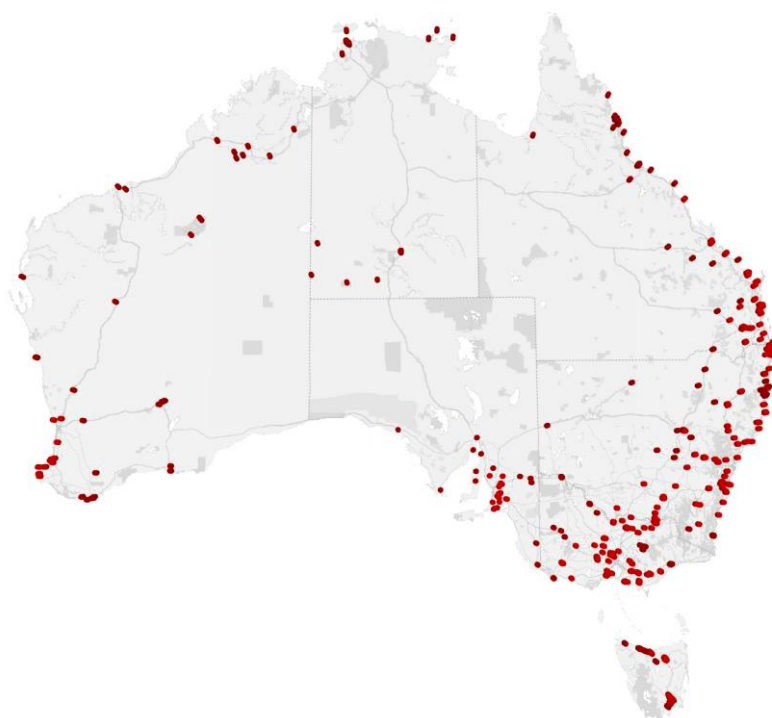
Independent regional and remote schools

There are 387 Independent schools located outside of the major capital cities in regional and remote areas. This represents almost one in three schools in the Independent sector. These schools enrol 121,919 students and employ 16,256 teachers and other staff.

Similar to distribution patterns in other sectors, more than 50 per cent of Independent schools located in regional and remote areas have enrolments of fewer than 200 students. Independent schools in regional and remote locations assist in creating real schooling choice for families in these areas. They include for example Anglican, Lutheran, Christian, Montessori, and Steiner schools.

Student enrolments in Independent schools located in regional, and remote areas have grown by 23 per cent over the decade 2010 to 2019. This compares with 22 per cent over the same decade in Independent schools Australia wide. For many parents and families, the issue of whether to educate their children locally or in another location is a significant and difficult decision. In making this decision, these families weigh the benefits, opportunities, and disadvantages that may be presented by children boarding away or by staying at home.

Map 1: Independent Schools in Regional and Remote Areas 2020 (ARIA >0.20)



Source: ACARA Australian Schools List plus additional geolocation. Includes school campuses.

The Education Gap

The 2018 Independent Review into Regional, Rural and Remote Education found that the outcomes for students from regional, rural, and remote (RRR) areas are measurably worse than their metropolitan counterparts and have been so for decades.

This divide “is exemplified in the National Assessment Program- Literacy and Numeracy (NAPLAN) results, and two international tests of school students- the Programme for International Student Assessment (PISA), and the Trends in International Mathematics and Science Study (TIMSS)...

...The national statistics show there is a persistent relationship between location and educational outcomes when data for the various measures is aggregated.”¹

As ISA noted in our submission to the 2020 House Standing Committee on Employment, Education and Training’s Inquiry into the education of students in remote and complex environments, “It is likely that the inability of various policies to effectively address this gap is partly because the reasons underlying and contributing to the gap in outcomes are complex and multi-faceted. The OECD’s What makes urban schools different? PISA in Focus paper states that “socio-economic status explains only part of the performance difference between students who attend urban schools and other students”. The paper goes on to identify school size, responsibility of the school for resource allocation, and staffing issues such as teacher shortages and staff qualifications as relevant differences and challenges for regional and remote schools.²

The current and on-going concerns about the ability of many schools to provide and continue to provide high quality education in regional and remote areas would indicate that further consideration of the best ways to support regional and remote schools is warranted.

Regional boarding schools

The Independent sector includes 145 schools which enrol over 15,500 boarding students. The Independent sector is by far the largest provider of boarding school education for Australian school students. A significant number of Independent school boarders are from regional and remote areas. Independent boarding schools provide these students with pastoral and emotional support while they access an education.

Independent boarding schools are frequently the only option for students from regional and remote communities who must board away from home in order to further their education. Due to issues of remoteness, for many parents there is little choice but to enrol their children in a boarding school. Many of these parents are acutely aware that access to education underpins their children’s future success, and that boarding helps alleviate issues connected with isolation in Australia’s regional and remote areas.

Given the significant number of regionally based, particularly farming families, that use boarding schools, conditions such as low commodity prices, low economic growth or downturns, drought, and other natural disasters, can leave these families and therefore their children’s schools vulnerable. For many families who enrol their children at a boarding school, tuition and boarding fees are a critical factor in their selection of school. These families have concerns about the rising cost of schools and boarding school affordability.

¹ Report of the Independent Review into Regional, Rural and Remote Education, p8, <https://www.education.gov.au/independent-review-regional-rural-and-remote-education>

² ISA submission to the Inquiry into the education of students in remote and complex environments, p14, <https://isa.edu.au/wp-content/uploads/2020/07/ISCA-submission-Inquiry-into-the-education-of-students-in-remote-and-complex-environments.pdf>

Indigenous students in regional and remote schools

Enrolments of Indigenous students in Independent schools have grown at an average rate of almost six per cent per year over the last two decades. ABS data released in February 2020 confirmed the Independent sector as experiencing the largest growth of Aboriginal and Torres Strait Islander enrolments, exceeding the national average growth of 3.7 per cent.

Indigenous students are educated across a range of settings and in different types of schools in the Independent sector. There are some Independent schools that provide education to significant populations of Indigenous students and some schools are entirely Indigenous. Forty schools in the Independent sector have an Indigenous enrolment of more than 50 per cent. A significant number of these schools are located in regional or remote areas.

Many Indigenous students, particularly those from regional and remote communities face considerable educational challenges including that their educational levels are often behind those of their non-Indigenous peers, many students have significant social and health issues, and many have traumatic backgrounds and disrupted educational journeys. The context and educational setting mean that the needs of Indigenous students, and thus of the schools, teachers, and support staff, vary according their educational circumstances.

Indigenous students from rural and remote communities are the most educationally disadvantaged students in Australia. For many Indigenous students living in remote communities there is limited or no access to school education, particularly at secondary level. An Independent boarding school is often the only option for Indigenous students from remote and regional communities who must board away from home in order to access education.

The additional costs of educating Indigenous students from rural and remote communities in boarding school away from their families and communities is significant. These additional costs include not only living and educational support, but also health, pastoral and cultural support and costs associated with maintaining links to home communities. For boarding schools where Indigenous students from remote communities make up all or the majority of the student body, these additional costs threaten the financial viability of boarding provision.

Location Loading

One of the recommendations of the 2018 Independent Review into Regional, Rural and Remote Education was to *Establish a national focus for RRR education, training, and research to enhance access, outcomes, and opportunities in regional Australia.*

One of the actions listed to progress this recommendation is to *“ensure legislation and programs which frame and impact on rural, regional and remote Australia recognise place and location as legitimate bases for resource allocation including the provision of essential services.”*³

The Review of Funding for Schooling Final Report (2011) notes the significant disparity in outcomes between metropolitan and non-metropolitan students as the basis for including ‘school remoteness’

³ Report of the Independent Review into Regional, Rural and Remote Education, p77, <https://www.education.gov.au/independent-review-regional-rural-and-remote-education>

as one of the key factors of disadvantage to be addressed in the Schooling Resource Standard (SRS) funding model.

In its Report on *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, the Productivity Commission recognized that regionality and remoteness increases the cost of delivering human services such as schooling. “Remoteness poses a number of challenges for service provision. It increases the costs of delivering services and prevents some services from being delivered at all. The size and remoteness of these communities means that they may not be able to support full time services. Isolation also poses challenges, with some communities cut off from services for weeks or months each year. Even when they are accessible, travel can be difficult, costly, time consuming and for some people ... impossible.”

The cost of running remote schools is determined not only by substantial factors such as the expense and difficulty of transporting people and resources to and from the school location but also by something as seemingly simple as a slight rise in the cost of diesel to power generators, an issue that can have a significant impact on the school’s budget and subsequent operations

Curriculum

Regional and remote schools face significant challenges in delivering the Australian curriculum to their students.

Many remote classrooms are multi-age with students from more than one-year level together in the one classroom. Such a scenario can be challenging even for experienced teachers, especially given the construct of the Australian Curriculum which has year level achievement standards in the core subjects of English, Mathematics, Science, and Humanities and Social Sciences. Even highly experienced and capable teachers can struggle with the tensions of trying to support the differing educational needs of younger learners and older students in the same learning space.

The ability of individual regional and remote schools to deliver a wide range of subject choices to their students is another area of concern, particularly when taken in conjunction with the staffing challenges faced by regional and remote schools. This is particularly an issue at the senior years of schooling. Some Independent schools located in regional and remote areas pool their resources so that they can offer a wider range of subject choices to their students.

Regional and remote schools also face increased costs in trying to provide the same learning opportunities to their students that metropolitan schools may take for granted. For example, the transport costs of providing educational activities, such as visits to cultural institutions and social experiences, is far higher for regional and remote schools when compared to metropolitan schools.

Teachers and staffing

There are significant expense and resource implications for regional and remote schools associated with recruiting and retaining quality long-term and temporary staff and providing them with high quality professional development and learning opportunities.

Generally, a lack of locally available and/or qualified applicants means that schools must search widely for staff. The process of advertising for and attracting potential staff, and the relocation of successful applicants, add a substantial cost to schools which is paid for directly by the school community. Unlike government or other school systems, the stand-alone nature of most Independent schools means that they do not have the resources to offer financial or other incentives above a standard award-based salary to attract staff.

The costs of attracting and moving staff to schools in regional and remote communities are often multiplied due to other factors including costs related to: a relatively high turnover of staff, provision of stable and secure ongoing housing for staff, retaining existing staff, the higher proportion of younger and/ or inexperienced staff employed, and the provision of professional learning and other support for staff. Ensuring the provision or availability of adequate teacher housing is also an issue that regional and remote schools grapple with.

Even for experienced staff, a lack of specialised locally available professional learning and appropriate professional networks to provide connectedness and support, opportunities for cooperation and collaboration, and development of their knowledge and skills can be a challenge. Similarly, it can be difficult for principals and other school leaders to have the opportunity to interact with and learn from other similarly placed leaders.

ICT and Connectivity

Access to a suitable and dependable internet connection is also a significant concern for some regional and remote schools. The 2018 Independent Review into Regional, Rural and Remote Education found that while “ICT infrastructure and access were flagged as being absolutely fundamental to improving student achievements and pathways beyond school...just as frequently, the claim was followed by great concern at the patchiness of ICT in many if not most RRR locations and that this was greatly hindering realising its potential. Specifically, unreliable, inconsistent, inaccessible and costly ICT adversely impacts the ability of RRR students to overcome educational barriers due primarily to their location and being locked out of wider/global opportunities.”⁴

The same issues affect students in regional and remote areas. This was clearly demonstrated with COVID-19 and the need for students around the country to engage in remote learning for at least some part of 2020. Due to concerns expressed at the ability of children to learn online if they did not have an adequate internet connection at their home, NBN Co engaged with Retail Service Providers (RSPs) and with the education sector to develop initiatives to support the connection of these students. This included access options for remote communities and the schools servicing students in those communities.

ARIA

ARIA+ is a well-established measure for classifying locations in Australia by their road distance from populated localities to the nearest Service Centres. This measure forms the basis for the Australian Bureau of Statistic’s Australian Statistical Geography Standard (ASGS) remoteness structure. It is not however a school or education specific approach to classifying location.

Since the introduction of the current funding methodology, the application of the ARIA + scores by the Department of Education, Skills and Training has differed to that of the Australian Bureau of Statistics’ application in their remoteness structure, notably with the parameters for defining regional areas.

⁴ Report of the Independent Review into Regional, Rural and Remote Education, p67, <https://www.education.gov.au/independent-review-regional-rural-and-remote-education>

The location loading provides funding for schools with an ARIA+ above 1.0, while the ABS's definition of 'inner regional' starts at >0.20. There is a large cohort of Independent schools between 0.20 and 1.0 that do not receive location funding, despite being classified as regional by the ABS's definition of remoteness and sharing similar characteristics and challenges as many other regional schools which do receive the location loading.

266 Independent schools (23 per cent of Independent schools) currently qualify for the location loading, this change would enable an additional 147 Independent schools located in regional areas (according to the ABS's definition) to receive funding based on the location loading.

Currently the ARIA+ scores used in relation to the location loading are based on the 2011 Census of Population and Housing and there do appear to be some local anomalies that may be due to the age of the data being used. ISA understands that there are ARIA+ scores based on the 2016 Census however updating the funding model with new ARIA+ scores, while bringing the data set more up to date, may also result in further anomalies being created.

ISA recommends that the NSRB investigate to potential for ARIA+ be updated with scores reflecting the most current available data and consider the inconsistencies between DESE and ABS in terms of how regionality is defined.

Size Loading

The school size loading recognises that small schools are not able to access the economies of scale that come with size. In the Independent sector, almost 660 (57%) of all schools receive funding under the size loading. While the size loading provides assistance to schools in all locations, there are additional costs associated with small schools in regional and remote settings when compared to small schools in metropolitan areas.

All of the additional costs associated with being in a non-metropolitan setting, such as the costs to attract suitable teaching and specialist staff, apply to small regional and remote school but small schools may have more difficulty meeting those costs. The capacity to raise income through fees is limited by the student numbers in small schools.

In regional and remote settings, more than 80% of small Independent schools are non-systemic. Being a small independent school exacerbates the impact of economies of scale as these schools are unable to access the shared resources of large school systems such as the Government or Catholic systems in each state or easily access the educational opportunities available in a metropolitan area such as cultural or educational institutions.

Cost of the location and size loadings

While it is difficult to comment on the actual dollar value of the individual location and size loadings, additional funding under both loadings would benefit schools in regional and remote locations, especially those impacted by the recent drought, bushfires and economic downturn caused by COVID 19.

The location and size loadings are worth \$77 million and \$92 million in recurrent funding to the Independent sector in 2020. This represents 1.4 per cent and 1.6 percent of total recurrent funding. As a point of comparison, the low Socio-Economic Advantage loading is worth \$395 million to the Independent sector in 2020 or 7% of total recurrent funding.

In terms of the interaction between the two loadings, the only schools that receive extra school size funding based on their regional location are those that fall into the 'very small' category, particularly at the primary level. Once the maximum size loading has been reached, the settings are the same for both metropolitan and non-metropolitan schools.

It has been noted that the current settings for the size loading can act as a disincentive to growth in schools where the impact of the loss of the size loading outweighs the benefits of additional enrolments. The construction of the size loading and the impacts on schools from the loss of the size loading which can have a significant impact should be revisited.

It is ISA's view that there is scope for examining whether these two loadings meet the needs of regional and remote schools and whether the quantum of funding for both loadings should be increased to address the challenges posed by both school location and school size. Any increase in funding should be additional funding and not come at the expense of other types of schools.

A further issue in relation to the size and location loadings is that for multi campus schools, they are determined by the location of the head campus and the size of the school across all campuses. This means that school campuses in regional and remote areas do not attract the location loading despite incurring all of the associated costs of operating in a regional or remote location. Similarly, a small campus will not attract the size loading if the total school size precludes this. While funding by school campus may not be practical, it is worth investigating whether it is possible in the current funding model to incorporate pro rata size and location loadings for campuses.

Other factors for consideration

Current challenges for regional and remote education

Many of the challenges of providing high quality education for students from regional and remote communities have been further complicated by natural disasters, such as drought and bushfires. While these environmental factors may be short-term incidents or may persist for many years on end, their effects on student wellbeing and learning will be felt within schools, families, and communities both during and for some time after the event.

Such circumstances exacerbate existing barriers and challenges, as well as lead to an intensification in a range of other widespread educational challenges such as student, family, and staff mental health and wellbeing, financial stress caused by variable or low commodity or produce prices, and increased family farm or business workload due to restricted income or a requirement to more intensively care for livestock and land.

Independent schools have sought to address these additional complex challenges by providing support to their communities through measures such as added pastoral care services and programmes, counsellors, and other support staff, fee relief, and community focused assistance.

The COVID-19 pandemic has had its own impact on regional and remote communities and on schools and learning. In terms of the students being educated at Independent schools there are concerns for some cohorts of students adversely affected by school closures and the move to online learning. These include students who:

- Have specific needs that require special assistance
- Do not have access to internet or technology at home

- Live in remote communities
- Normally attend a boarding school and are unable to access the return to face-to-face learning offered to day students
- Highly disadvantaged and disengaged youth including students impacted by domestic violence, abuse or living in out of home care etc
- Indigenous boarding school who returned to community may be unable to return to school due to restrictions around boarding schools and state border closures.

Remote indigenous children particularly have inadvertently been disadvantaged, with vulnerabilities further exposed during the closure of schools as a result of COVID-19.

Boarding schools

The Independent sector has 145 boarding schools across Australia with 61 (42%) in regional and remote settings. Regional and remote boarding schools have additional costs associated with pastoral care for students and additional teaching costs to support students outside of school hours. Many of these regional and remote boarding schools have high levels of Indigenous students and the Independent sector also has eight regional and remote majority Indigenous boarding schools.

To ensure that Indigenous students from remote communities are engaged, retained, and supported in culturally appropriate ways in their school education, there are significant additional costs incurred by boarding schools educating large numbers of students from remote Indigenous communities.

The types of additional services provided by Independent boarding schools to Indigenous students include the provision of:

- boarding house parents with low staff to student ratios
- culturally appropriate training and support to ensure the enrolment and retention of students
- pastoral care to meet the often complex and high-level needs of students including those from disrupted and traumatic backgrounds
- health services – students often have complex and chronic health needs
- social and emotional support for students living away from home who have strong family, community, and cultural links with their community
- the need to ensure staff are familiar with and can build and maintain links and understanding of students' home communities
- additional teaching staff to provide educational support outside of school hours
- transport costs – both staff and students may need to travel multiple times between school and communities for a variety of educational, cultural, and pastoral reasons
- connectivity costs
- cost of administration of ABSTUDY and other government services on behalf of the school and student families.

It is strongly recommended that additional recurrent costs of boarding are examined by the National School Resourcing Board to ensure the on-going viability of this vital and important service that boarding schools provide to regional and remote communities.