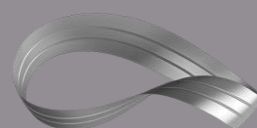

2024 -2025 BUDGET SUBMISSION

INDEPENDENT SCHOOLS AUSTRALIA
SUBMISSION

25 January 2024



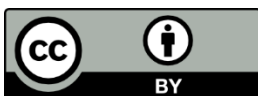
INDEPENDENT
SCHOOLS
AUSTRALIA



Independent Schools Australia is the national peak body and the voice for the Independent school sector. Our membership and board are comprised of the state and territory Associations of Independent Schools. We work closely with our members to promote choice, diversity and partnership in education, and advocate for ongoing and sustainable levels of Australian Government support through effective policy and fair funding.

Through these Associations, ISA represents more than 1,209 schools and 688,638 students, accounting for 17 per cent of Australian school enrolments and a workforce of 115,090 people.

Independent Schools Australia acknowledges the traditional custodians of country throughout Australia and recognises the continuing connection to land, waters and community. We pay respect to Elders past and present, and commit to the ongoing journey of reconciliation.



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1. INTRODUCTION

Independent Schools Australia (ISA) is the national peak body representing the Independent school sector. Working with the eight state and territory Associations of Independent Schools (AISs), ISA's major role is to represent the sector on national issues and bring the unique needs of Independent schools to the attention of the Australian Governments and community.

688,638 students attend 1209 Independent schools nationally, and the latest available data shows that one in six Australian school students attends an Independent school, and over one in five secondary students attending an Independent school. These schools employ around 115,000 people.

These schools are a diverse group and serve a wide range of communities. The median fee for an Independent school in 2021 was around \$5,300, and the majority of Independent schools charge fees in the range of \$3,000 – \$5,500.

Most families with children enrolled in non-government schools are middle-to-low-income earners, increasingly from multi-cultural backgrounds, and residing in outer-suburban and inner-suburban communities. Many of these families are currently facing economic stress and are making substantial sacrifices for their children's education.

Independent schools are long-established partners in Australia's education system, alongside government and Catholic schools. They make a valuable contribution to society and to the learning and wellbeing of Australian children, and have received funding from the Australian Government since the 1960's.

The economic value of parent contributions to the recurrent cost of education nationally is 7.5 billion dollars annually.

The economic value of parent and community contributions to school capital costs is more than 1.1 billion annually.

Independent schools offer a range of educational experiences and services that are not readily available from other providers and play a vital role in educating disadvantaged student cohorts:

- 140,000 students with a disability attend an Independent school.
- 143 Independent Special and Special Assistance Schools play a crucial role in educating 16,571 students unable to access mainstream schools due to complex barriers and facilitate their pathways to employment or further education outcomes.
- 17,752 Aboriginal and Torres Strait Islander students are enrolled across 983 Independent schools. 47 of these are Majority Aboriginal or Torres Strait Islander schools, and many are leading the way in developing and delivering highly innovative educational programs.
- 138,000 students attend 416 Independent schools across regional, rural and remote Australia. For many students in remote communities an Independent school is the only available option.
- Independent schools are the largest provider of boarding places with 14,577 students, twice the enrolments of the government and (systemic) Catholic sectors combined.

Independent schools are committed to playing their part in improving educational opportunities for young Australians and contributing to a robust and successful national schooling system. ISA welcomes the opportunity to put forward our priorities for the 2024-25 Federal Budget.

2. SUMMARY OF RECOMMENDATION

Schools, students, families, and school communities all need to be supported to thrive and succeed. Ensuring outcomes across all school sectors will be the focus of the next National Schools Reform Agreement.

If the ambitions of the Government, as articulated in the next NSRA are to be a reality, and we are to improve the outcomes of all students, regardless of any background disadvantage that they may face, ISA recommends the following:

- Ensure the next NSRA is accompanied by funding that enables Non-Government Representative Bodies (NGRBs) to help Independent schools implement the Australian Government's education reform priorities. This funding is an extremely efficient mechanism that had existed in some form for over thirty years, until the cessation of the Non-Government Reform Support Fund in 2024.
- Increase resourcing for regional and remote schools to address the disadvantage and increased costs that come with the non-metropolitan provision of education.
- Ensure that the current work underway through the NIAA Boarding Design review delivers a stable source of recurrent funding for Aboriginal and Torres Strait Islander boarding schools.
- Ensure that school funding reflects the actual costs of operating schools serving disadvantaged communities and provides certainty and stability for all schools and families in all sectors.
- Increase capital grant availability to respond to population growth and growing parent demand for school places, enabling growth in Independent schools currently serving low socio-economic communities and/or the building of new schools.

3. THE NATIONAL SCHOOLS REFORM AGREEMENT

ISA believes that there is value in articulating a national policy agenda that drives national improvement and reforms to improve the outcomes of all Australian students. Equally important, however, is the recognition that reform in Australian schooling involves all sectors of education.

The process for the development of the next National School Reform Agreement (NSRA) has already had several significant inputs, including a review of the current NSRA undertaken by the Productivity Commission and a further review undertaken by an Expert Panel commissioned by the Minister for Education.

The final report of the Expert Panel - *Improving Outcomes for All: The Report of the Independent Expert Panel's Review to Inform a Better and Fairer Education System* – sets out an ambitious reform agenda for Australian schooling, encompassing a range of key areas. The report calls for reform in areas such as data collection and measurement of outcomes, student mental health and wellbeing, the current teacher workforce crisis as well as accountability and transparency.

While the next National School Reform Agreement has yet to be finalised and will be informed by the outcomes of both Reviews, it will undoubtedly set out a program of significant reforms for schools in all sectors, involving a range of measures.

This reform agenda will have significant impacts on Independent schools and the families and the communities they support.

These schools can also make a valuable contribution to the development of reform initiatives, and to finding and road-testing solutions. The autonomy of Independent schools means that they are ideally placed to trial and evaluate programs and initiatives, they can innovate and are often early adopters of new technologies and pedagogical approaches.

Independent schools and their representative bodies look forward therefore to engaging further with all governments and contributing to the development of the next NSRA.

4. SUPPORTING THE SUCCESS OF REFORM

All sectors of education are committed to improving the educational outcomes of all Australian students, including those from a range of equity cohorts.

The cost of delivering national reform is significant for individual Independent schools, as they operate independently. Many Independent schools serve highly educationally disadvantaged students, including those from Aboriginal and Torres Strait Islander communities, students with disabilities, and students from diverse ethnic and cultural backgrounds. Supporting these students requires skilled staff, customised facilities, and partnerships with support services.

A commitment to resourcing reform in all sectors is essential and will support Independent schools to implement the Australian Government's educational reforms.

In the non-government school sector, the provision of funding to non-government representative bodies (NGRBs) has delivered an extremely efficient mechanism to support implementation. NGRBs have an excellent understanding of the operating environment and needs of schools in their jurisdiction and use this to develop programs and supports that enable overarching sector support to meet government priorities and provide effective evaluation and measurement.

The NGRBs in the Independent sector are the Associations of Independent Schools in each State and Territory. They have delivered programs, resources, and advice on behalf of the Australian Government to Independent schools for decades and can demonstrate how these have made a positive difference to students and their families, teachers, school leaders and the communities they serve.

Half of all Independent schools are small, with both under 500 enrolments and average fees of less than \$10,000 annually. Over half of these - more than a quarter of all Independent schools - have less than 250 enrolments and average fees of \$5,000 or less.

These individual schools require significant levels of expert and administrative support to adopt new initiatives. They rely heavily on their state or territory Association of Independent Schools for student-focused expertise and support.

Understanding, costing, and supporting the implementation costs of any new initiative for each school, each sector, and each jurisdiction is a critical element of implementation.

It is imperative that schools in all sectors, and the structures that support them, are resourced appropriately to successfully implement the reforms in the next NSRA if the Government's investment is to deliver real outcomes.

5. SUPPORTING EQUITY COHORTS TO THRIVE

The Independent sector works to improve outcomes for all students in Independent schools and is seeking support to deliver high-quality educational outcomes to disadvantaged cohorts and the schools that serve them.

5.1 REGIONAL SCHOOLS AND BOARDING SCHOOLS

There are 416 Independent schools in regional and remote areas, enrolling 138,000 students and employing over 19,000 teachers and other staff. Like other sectors, half of the Independent schools located in regional and remote areas have fewer than 200 students.

Schools in regional and remote areas face significant challenges in the delivery of education, due to geography and associated disadvantage. These range from the increased costs of staffing, transport, and ICT through to the delivery of the curriculum, the limited subject choice available and the costly and difficult provision of school visits to cultural and other institutions which are taken for granted in metropolitan schools. Attracting and retaining teachers is a significant challenge for regional and remote schools.

Taken together, these challenges mean that students from regional and remote areas do not achieve the same outcomes as students in metropolitan areas. ISA believes it is important that the relevant

loadings accurately reflect the additional costs of educating children in regional and remote areas and are sufficient to meet the needs of schools in all sectors.

Despite widespread recognition by stakeholders of the additional costs of education in rural and remote areas, ISA was disappointed to learn that the recently released National School Resourcing Board (NSRB) Review of the Regional Schooling Resource Standard Loadings was unable to make any findings about the loadings.

Given the significant increases in the key operating costs of schools, including staff costs and technology, an increase in the quantum of funding in the loadings for regional and remote schools is a matter of urgency. If this is not provided, schools have no choice but to increase fees for families who are already under economic stress and struggling with cost-of-living increases.

There have been recent indications from some regional, rural, and even peri-urban schools that they may have no choice but to close their doors. As well as the detrimental impact this would have on families and communities, it would place an immediate burden on government schools, and the removal of the contribution made by families through fees would significantly increase the costs to governments of educating those students.

Increased resourcing for regional and remote schools is urgently required to address the disadvantage and increased costs that come with the non-metropolitan provision of education.

5.2 ABORIGINAL AND TORRES STRAIT ISLANDER BOARDING SCHOOLS

Independent schools are the largest provider of boarding in Australia. They serve a diversity of rural and metropolitan students including those from regional and remote areas and highly disadvantaged Indigenous students, many of whom have limited educational choice in their local communities.

Indigenous students from regional 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 the 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 to access education.

In 2022, half of the 2,145 Indigenous boarders in Independent schools attended schools with either very large numbers or a high concentration of Indigenous boarders. Often these schools serve students and families with limited or no capacity to contribute to the costs of their children's educational and boarding needs. Government funding, including ABSTUDY payments, plays a central role in funding these services.

The additional costs of educating students from rural and remote communities in boarding schools, away from their families and communities are 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 most of the student body, these additional costs threaten the financial viability of boarding provision.

The gap between income and costs for schools providing this critical educational service for Indigenous students has been an issue of ongoing concern and must be addressed urgently, if the viability of schools that educating large numbers of Indigenous boarding students is to be maintained. The funding solution for these schools also must be stable and secure, to give schools funding certainty.

The current work underway through the NIAA Boarding Design review must deliver a stable source of recurrent funding for Aboriginal and Torres Strait Islander boarding schools.

6. SUPPORTING SCHOOLS THROUGH FUNDING CERTAINTY

Independent schools' ability to plan is based on sound assumptions regarding future school funding. This is a key component in ensuring schools remain well-managed, sustainable, financially viable in order to maintain educational continuity and choice for students and their families.

6.1 THE PROVISION OF RELEVANT INDEXATION

Indexation for school funding must be responsive and reflective of the actual cost drivers that impact the delivery of school education. A key factor in ensuring indexation is responsive and relevant is the inclusion of salary costs that reflect the remuneration schools are paying in the face of a critical teacher shortage.

6.2 ENSURING THAT ALL SCHOOLS ACHIEVE 100% SRS FUNDING

ISA has publicly supported all schools receiving 100% of their SRS funding entitlement, regardless of sector. This must include all schools, including all those in the Northern Territory, not just government schools.

Many Independent schools in the Northern Territory are educating some of the most disadvantaged students in Australia and have minimal or no capacity to raise private income through fees. These schools are not on track to receive 100% of their SRS entitlement from governments. The push to ensure all schools receive 100% of the SRS entitlement must not leave these schools and their students behind.

School funding must reflect the actual costs of operating schools for disadvantaged communities and provide certainty and stability for all schools in all sectors.

7. SUPPORTING SCHOOLS TO GROW

Parents are increasingly choosing Independent schools to provide their children with an education that reflects their beliefs and values, and where they believe their child will thrive. Much of this growth is in low fee schools serving low to middle-income families. For the Independent school sector to continue to meet this growing parent demand, additional capital funding is needed.

Independent schools already source substantial amounts of capital funding from parents and through borrowing. An increase in the quantum of funds available from the Commonwealth to fund substantial extensions to existing schools and build new Independent schools is a vital element of providing quality education to all of Australia's growing school-age population.

The steady growth in enrolments in Independent schools has placed heavy demands on capital development such as buildings, grounds, and equipment in the sector. Enrolments have grown by 21 per cent, or more than 121,000 students, in the last 10 years. Further growth of another 22 per cent, or more than 152,000 students, is expected by 2030.

Table 1: Predicted enrolment growth in Independent schools, 2022 to 2030

	2022	2030	Change (no.)	Equivalent number of new schools*
Primary	293,153	376,534	83,381	146
Secondary	395,485	464,836	69,351	121
Total	688,638	841,370	152,832	267

Source: ISA calculations, utilising Australian Government Department of Education Non-Government Schools Census, ABS Schools, ABS Population Projections

*Based on average Independent school size, Non-Government Schools Census

The growth in enrolments in Independent schools has placed heavy demands on capital development including not just the building of new schools and the expansion of existing facilities, but also refurbishing and updating infrastructure, the provision of staff accommodation in boarding schools, the replacement of out-of-date materials, and upgrades to equipment to meet changing curricula and expanded courses. Parents and the community fund almost 90 per cent of these capital works.

The Australian Government provided approximately \$79 million in capital grants for disadvantaged Independent and Catholic school communities with the least capacity to raise funds in 2022.

Most long-established Independent schools receive no capital grants from governments.

Given the limited funds available, projects undertaken under the Capital Grants Program tend to be small-scale capital works such as the construction of additional classrooms or building refurbishments. While the funds available under the Capital Grants Program are indexed annually, the quantum of Capital Grants Program funds has not changed in any material way for many years.

As stand-alone schools, most Independent schools do not have recourse to systemic support to assist in capital development. In 2022, only 204 (17 per cent) of 1209 Independent schools were in systems. Stand-alone Independent schools, and indeed many small Independent schools within smaller systems face significant challenges to raising funds for the capital projects required to match demand.

ISA is seeking increased capital grants to independent schools on a needs basis, so they can respond to the pressure of population growth and meet parent demand by contributing to new Independent schools or growing existing schools serving low socio-economic communities.

8. CONCLUSION

All schools, students, families, and school communities need to be supported to thrive and succeed. Ensuring these outcomes across all sectors will undoubtedly be the focus of the next NSRA.

To make the goals of the next NSRA a reality, and to improve the outcomes of all students, regardless of any background disadvantage they may face, ISA recommends the following:

- Ensure the next NSRA is accompanied by funding that enables Non-Government Representative Bodies (NGRBs) to help Independent schools implement the Australian Government's education reform priorities. This funding is an extremely efficient mechanism that had existed in some form for over thirty years, until the cessation of the Non-Government Reform Support Fund in 2024.
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