



24 October 2024

Senate Education and Employment Legislation Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Email: [eec.sen@aph.gov.au](mailto:eec.sen@aph.gov.au)

Dear Senate Education and Employment Committee,

### **Inquiry into Better and Fairer Schools (Funding and Reform) Bill 2024 [Provisions]**

Independent Schools Australia (ISA) welcomes this opportunity to provide a submission to the Inquiry into Better and Fairer Schools (Funding and Reform) Bill 2024 [Provisions].

ISA is the national peak body for Independent schooling in Australia. ISA represents the sector on national issues and engages with the Australian Government, national agencies, media, key stakeholders, and the wider Australian community.

Working with the eight state and territory Associations of Independent Schools (AISs), ISA represents 716,800 students, over 1,215 schools and a workforce of 122,000 people.

The Independent sector encompasses considerable diversity in size and location of schools, and the types of students enrolled. The latest available data shows that more than one in six Australian school students attends an Independent school. For secondary students, it is over one in five. Students at Independent schools reflect the full diversity of Australian society – including those who experience one or multiple forms of disadvantage.

Most families with children enrolled in non-government schools are middle-to-low-income earners, increasingly from culturally diverse 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.

Many Independent schools provide a religious or values-based education. Others promote a specific educational philosophy or interpretation of mainstream education. Some have been established by community groups seeking to meet particular needs or to reflect the religious values of a community. 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 schools with common aims and educational philosophies are governed and administered as systems, for example, Lutheran schools. Systemic schools account for 20 per cent of schools in the sector.

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## CONTEXT

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ISA supports reform to improve the outcomes of all Australian students<sup>1</sup> and supports the primary goal of the Bill which is to ensure that government schools are able to be funded to 100% of the Schooling Resource Standard by the Commonwealth and state and territory governments. All sectors of schooling are committed to improving the educational outcomes of all Australian students, and securing a pathway to full funding of the SRS for government schools will assist in meeting this goal.

The Review to Inform a Better and Fairer Education System found that there were significant challenges facing schools today. These included challenges in improving student outcomes, student mental health and wellbeing, and building a strong teacher workforce. It is imperative that all schools and systems have access to sufficient resources to meet these challenges so that students can achieve, to contribute and participate in society in a meaningful way.

Innovation in education benefits all students, regardless of the sector. Independent schools are developing innovative programs that address the key challenges facing all schools, such as student wellbeing, teacher retention, and the integration of generative AI technologies in education. The Independent sector looks forward to collaborating and working with the Government and Catholic sectors to address and overcome the challenges facing Australian schools and students today.

## SCHEDULE 1 – GRANTS OF FINANCIAL ASSISTANCE TO STATES AND TERRITORIES

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### PART 2 – COMMONWEALTH SHARE

#### Item 3 – Preamble

The Preamble of the *Australian Education Act 2013* currently states that

*The Commonwealth will deliver record and growing levels of investment in schools. To help education authorities provide every child with a quality education, regardless of where they live and what school they attend, this investment will be fairly and transparently distributed and allocated according to need.*

The wording of the proposed addition to the Preamble introduces language which specifically focuses on the funding arrangements for government schools. ISA is concerned at the move away from sector neutral language in the Preamble to focus on one sector of schooling when the Act sets out the government funding arrangements for all sectors of schooling.

The proposed additional wording also includes references to a funding floor for government schools and a mechanism to ensure that funding for government schools cannot go backwards. While those proposed additions to the Act are discussed further below, highlighting one sector over another in this way detracts from the current sector-blind language of the Preamble.

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<sup>1</sup> ISA Submission – Review to Inform a Better and Fairer Education System, 2023, <https://isa.edu.au/documents/submission-review-to-inform-better-and-fairer-education-system/>, p. 3

### Section 35A

Under the proposed changes in the Bill, this revised section provides both a 'funding floor' and a 'ratchet' mechanism for ensuring that the Commonwealth share for government schools cannot go backwards from the funding floor amounts set out in the Bill, yet no similar mechanism has been proposed for non-government schools.

ISA is deeply concerned at this differentiation and emphasises that all sectors of schooling should have the same protections in relation to maintaining their agreed funding levels under the current SRS funding model.

### PART 4 – OTHER AMENDMENTS

#### Subsection 77(3) and 78(2)

The Bill proposes the addition of two Notes below the end of subsection 77(3) and the end of subsection 78(2) which note the requirement for the Minister to consult, and have regard to any relevant decisions of, the Ministerial Council before regulations are made for the purposes of the relevant sections that will affect an approved authority for a government school.

ISA notes that there is no similar requirement in the Act requiring the Minister to consult with non-government sector peak bodies before making regulations for the purposes of this section, or other sections, which would impact the approved authority for a non-government school.

### SCHEDULE 2 TRANSPARENCY AND ACCOUNTABILITY OF SCHOOL FUNDING

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As noted in ISA's submission to the Review to Inform a Better and Fairer Education System, "Independent schools are the most accountable schools in all sectors of schooling. Independent schools are bound by a range of legal requirements associated with their educational and financial operations and must comply with both Australian Government and state and territory government regulations and accountability requirements."<sup>2</sup>

ISA supports measures to improve the transparency and accountability of school funding, noting that it should be clearly understood that the transparency and accountability requirements of the Australian Education Act 2013 apply equally to all sectors of schooling.

### OTHER CONCERNS

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ISA is concerned that the proposed Bill does not include measures to prevent states or territories from negating or reducing their net funding contribution to non-government schools by imposing other taxes and levies.

For example, the introduction of the payroll tax in Victoria has resulted in impacted schools contributing more to the state in tax than they are receiving in state government school funding.

States and territories should be required to maintain their agreed funding commitments to all sectors of schooling, and to maintain the value of that funding contribution.

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<sup>2</sup> ISA Submission – Review to Inform a Better and Fairer Education System, 2023, <https://isa.edu.au/documents/submission-review-to-inform-better-and-fairer-education-system/>, p. 24

## CONCLUSION

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ISA supports the intent of the provisions of the Bill however we note that in several places the Bill provides a guarantee of funding and consultation to the government sector that are not afforded to the non-government sector.

In order for Australia's schooling sectors to work together to achieve the key goal of improved outcomes for all Australian students, all sectors should be included and be treated equitably in relation to school funding.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Graham Catt', followed by a long horizontal flourish.

Graham Catt  
Chief Executive Officer