



Independent Schools  
Council of Australia

## **Joint Committee of Public Accounts and Audit Inquiry into National Funding Agreements**

### **Independent Schools Council of Australia Opening Statement 24 June 2011**

The Independent Schools Council of Australia would like to thank the Joint Committee for the opportunity to appear before the Committee and discuss our submission to the Inquiry into National Funding Agreements.

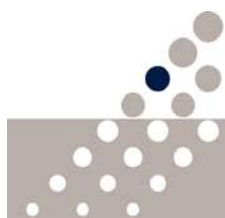
The Independent Schools Council of Australia is the peak national body for the independent schools sector. It comprises the eight state and territory Associations of Independent Schools representing almost 1,100 schools and around 550,000 students. The independent school sector is the fourth largest school education provider in Australia and at the secondary level is the largest provider of school services.

Our submission dealt with the impact of the changes to funding arrangements flowing from the Intergovernmental Agreement on Federal Financial Arrangements and associated legislation and agreements. I would like to highlight three issues; 1. National Partnerships, 2. The National Education Agreement and 3. Reduced Transparency in school funding.

#### **1. National Partnerships**

A significant issue for the independent sector was the introduction under the Intergovernmental Agreement on Federal Financial Relations of a new type of payment and associated funding agreement, National Partnership payments.

School education National Partnerships were delivered under different models. The Smarter Schools model of National Partnerships represents a significant change to the way the Commonwealth Government delivers funding to government and non-government schools. Under the Smarter Schools National Partnerships, there was no



separate or specific provision made for non-government schools and funding is provided directly to state and territory governments. The model requires non-government school education authorities to negotiate with state and territory education authorities in order to access funds.

Some \$2.5 billion is attached to the Smarter Schools National Partnerships covering teacher quality, literacy and numeracy and disadvantaged low SES school communities. This is very substantial funding.

The independent sector considers this is not a sound model for delivering funding to schooling in the Australian education environment. It is a backward step from the effectiveness and efficiency of the longstanding funding arrangements whereby the Commonwealth had a direct funding relationship with non-government school authorities.

Our submission outlines the significant issues that the independent sector has with this model. In summary these issues relate to:

- the increased bureaucracy resulting from the overlay of Commonwealth and state and territory bureaucracy both in the initial implementation and the ongoing administration of the Partnerships;
- the consequential unrecognised and unfunded administrative demands on state and territory Associations of Independent Schools;
- the significant delays and extremely slow pace of administration before any funding was actually delivered to schools or to initiatives;
- the lack of opportunity for independent schools to influence the strategies developed under the Partnerships; and
- the lack of recognition and understanding by state and territory education authorities of the quantum and nature of educational disadvantage in independent schools.

The inefficiency of this funding delivery model should be and can be addressed. We urge the Committee to consider an alternative approach so that future funding arrangements are based on the National Partnership arrangements for the Building the Education Revolution (BER). This model allocated funding by state and sector and allowed non-government education authorities to respond immediately to implementing the Government's initiative.

Funding under the BER National Partnership was provided directly by the Commonwealth to non-government education authorities. It is now widely

acknowledged that the BER was implemented in the non-government sectors quickly and efficiently. Had the BER been delivered utilising the same model as the Smarter Schools National Partnerships there would have been inordinate delays before initiatives commenced on the ground.

We consider that all future Government initiatives delivered under national partnerships should utilise the BER National Partnership model to maximise the efficiency and effectiveness of implementation in the non-government sector.

## **2. National Education Agreement**

The Committee's current Inquiry includes an examination of National Agreements. The NEA, while representing an agreement between the Commonwealth and the individual states and territories, covers all schools within the relevant jurisdiction: government, Catholic and independent. Independent school approved authorities, through their funding agreement with the Commonwealth Government, are required to agree to support the outcomes and targets set out in the NEA. While independent schools generally do not take issue with agreeing to the outcomes of the NEA, the non-government sector was not consulted in the development of the NEA nor its outcomes and targets.

The non-government sectors are not represented on the decision-making structures in Australian education. The sector is not consulted in decisions made by the Ministerial Council for Education, Early Childhood Development and Youth Affairs, nor does it have access to its papers or detailed information on its decisions. Likewise the relevant officials' committee, the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC) does not have non-government representation or observers or any access to papers. Non-government education authorities are locked out of decision-making processes but are bound by decisions made by these bodies, including deliberations regarding the NEA.

We consider this is a serious issue in need of immediate reform, particularly given the ever increasing proportion of enrolments in the non-government schools sector.

## **3. Reduced transparency in funding**

The last issue I wish to highlight flowing from the Intergovernmental Agreement on Federal Financial Relations relates to the changes to Commonwealth Government funding arrangements for government schools.

As our submission states, despite the stated aim of these reforms being increased transparency, the reality is a significant reduction in transparency around

Commonwealth Government funding for government schools, reducing the scope for both parliamentary and public scrutiny.

From 2009, Commonwealth Government funding for government schools is now appropriated under the *Federal Financial Relations Act 2009*, while Commonwealth Government funding for non-government schools continues to be funded under the *Schools Assistance Act 2008*, thus separating the appropriation for government and non-government schools.

Moving Commonwealth Government funding for government schools to the *FFR Act 2009* has resulted in a loss of transparency on a number of levels:

- in the already contested area of government funding assistance for school, it is no longer apparent by looking at the *Schools Assistance Act 2008* that the Commonwealth Government provides any funding to government schools at all; and
- Even if you know to look at the *FFR Act 2009* to locate Commonwealth Government funding for government schools, it is very difficult to find a state and territory breakdown of funding; and
- State and territory government budget papers generally make no distinction between Commonwealth and state school funding appropriations.

Our submission highlights this lack of transparency around the level of Commonwealth Government assistance to states and territories for school education, and notes the difficulties we have experienced in obtaining a state/territory breakdown of Commonwealth Government assistance. We have also referred to the loss of a number of successful Commonwealth programs as a consequence of these changes.

It seems odd that a major financial reform process has actually led to a significant reduction in transparency and a loss of program funding for needy schools.

## **Conclusion**

Obviously there are other matters raised in our submission and we are happy to respond to questions that the Committee may have or expand on any of the issues raised.

**ISCA**

24 June 2011