

**There is a high level of misunderstanding of the nature of Independent schooling in Australia particularly in regard to schools 'above the SRS' – commonly referred to in the media as “overfunded” schools.**

The characteristics of these schools are extremely diverse and there are many reasons why these schools have been calculated to be 'above' their SRS entitlement. For some schools they are 'above the SRS' as the result of historical funding arrangements, while other schools are categorised as above the SRS as a result of the interaction of multiple elements of the SRS funding model, including the interaction of state and Commonwealth funding.

Amongst the 'above the SRS' schools are a number of special schools serving students with disability and other schools such as Islamic, Jewish, Steiner, Orthodox and community schools which do not charge high fees or serve high SES communities.

Under the previous SES funding model, schools which were in receipt of Commonwealth Government funding in excess of their entitlement continued to receive full indexation. By contrast, the current funding arrangements ensure that schools which are 'above the SRS' are sustainably transitioning to their new SRS funding entitlement. A number of schools which were 'above the SRS' when this funding model was introduced in 2014 have already completed this transition.

It is also important to note that there are many school systems in other sectors which contain schools which would be considered to be 'above the SRS' if they were stand-alone schools and their funding was calculated accordingly. However, because they are part of a system



which on average is calculated to be 'below the SRS', these 'above' schools are funded and receive indexation as though they were 'below the SRS'.

It is critical that the Government understand the diverse nature of Independent schools which are 'above the SRS' and ensure that the following principles are taken into account in any changes to the treatment of these schools.

- 1. Independent schools which are 'above the SRS' should not be targeted simply because they are stand-alone schools and are visible, unlike systemic schools.**
- 2. Unlike the Catholic and government systems, which also contain schools which are 'above the SRS', the Independent sector does not have the capacity to redistribute funds between schools and cannot mitigate the adverse effects of any changes to the SRS funding model.**