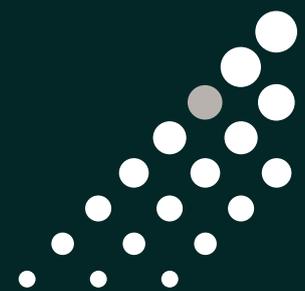




The Year in Review 2011



Independent Schools
Council of Australia

Active Policy Engagement Continues

The dominant activity for the independent school sector in 2011 has been its active engagement with the Gonski review of school funding arrangements. Initiated by the Australian Government in April 2010, the school funding review, chaired by David Gonski AC, was tasked with developing a fairer, more transparent and financially sustainable school funding system.

For Australia's 1,100 independent schools, the review was bound to have far-reaching consequences. One driver for the review was the continuing polarised and unproductive debate over the funding of government and non-government schools in Australia. For the independent sector, a comprehensive independent and expert public inquiry presented an opportunity to put to rest the myths and misinformation which have been a hallmark of this debate, gain wider recognition for the significant contribution independent schools make to the education of young Australians, and secure funding certainty and an appropriate level of resourcing for all independent schools. While the majority of independent school funding comes from parental contribution, stable public funding over several decades has been a critical factor in expanding access, providing choice for families and raising standards.

The Independent Schools Council of Australia (ISCA), working in close collaboration with the Associations of Independent Schools in each state and territory, played the key role in representing the interests of the sector to the review. ISCA was able to highlight the diversity of the sector, the significant contribution independent schools make to the Australian economy and society, and the significant savings they bring to the public purse. The 550,000 students attending independent schools now account for 16% of total enrolments. The sector is recognised for high performance, high quality and high demand.

The Gonski panel has recommended major changes in the way all schools are funded, with significant implications for the way resources are allocated to independent schools. The Government is taking time to consider its response, in advance of the next funding period due to begin in 2014. In the meantime, the sector is working alongside other stakeholders to examine the detail of the proposed changes and their likely impact on individual schools.

While the funding review has taken centre stage, other important national developments have also called for ISCA's active involvement as a strong advocate for the sector. The national education agenda has rarely been more crowded, with significant new developments unfolding in areas such as assessment and reporting, the national curriculum, data collection, student wellbeing, teacher quality, e-learning and funding of students with a disability. A major milestone during 2011 was the expansion of the My School website, with the addition of school financial data. While welcoming the transparency My School brings, ISCA has continued to seek improvements in the data used for public reporting so that it fairly represents the situation of independent schools.

Over the course of the year, independent schools around Australia have benefited from a number of national education initiatives, notably the infrastructure improvements funded by the Building the Education Revolution program, the final roll-out of computers under the Digital Education Revolution, reforms to early childhood education and the continuing development of the national curriculum. The sector has also been active in shaping the wider public policy agenda on issues with the potential to impact on independent schools. Most important among these were proposed reforms affecting charities and not-for-profit organisations. ISCA has sought to ensure that the provision of schooling as a public benefit is clearly recognised in any legislative and administrative changes implemented by government for the not-for-profit sector.

The challenge in the year ahead will be to keep the voice of the sector strong as new school funding arrangements are designed and new education policies initiated.

John Ralston OAM
ISCA Chairman



The Gonski review of school funding

The overarching purpose of the Gonski review of school funding was to propose a school funding system that would be effective in promoting excellent education outcomes for all Australian students.

This was a high stakes review for independent schools. Public funding over forty years has driven quality improvements in Australia's non-government schools, expanded access and increased choice for families. The independent sector is now the fastest growing school sector and is characterised by high achievement, high demand and high levels of parental satisfaction.

ISCA's comprehensive submission to the Gonski Review in March 2011 focused on the important place independent schools now occupy in the Australian education scene. In its engagement with the review through submissions, responses to material released by the review, its own independent research and exchanges with the review panel, ISCA advocated a set of fundamental principles the sector sees as essential to any school funding system.

Ultimately, a school funding system will be judged on whether it disburses public funding efficiently, effectively and equitably, so that every Australian child has access to a quality school education. A sound funding system should have the following characteristics:

Equity – per student funding for schools serving communities with similar attributes should generally be comparable;

Incentive – funding arrangements should support students in a way that encourages, not discourages, parental investment in schooling;

Flexibility – schools should not be locked into a particular funding level that impedes them from responding to changes in their school community;

Transparency – assessment of need should be based on reliable and transparent data;

Simplicity – funding arrangements should be simple to administer, with low administration costs for government and low compliance costs for schools;

Predictability – schools should have a high degree of certainty about future funding;

Consistency – funding arrangements should apply consistently to all schools across the non-government sector;

Student-based – the independent sector supports a student-based approach to assessing need for the purposes of funding;

Robust data – any funding model must rely on reliable, robust, up-to-date data that cannot be subject to manipulation or interpretation.

The main proposals from the Gonski Review, released in February 2012, have the potential to embody many of these principles. The review's main recommendation is for a student-based approach to recurrent funding. Recurrent funding would be based on a new schooling resource standard, calculated as the actual costs of delivering high quality schooling. All non-government schools would be entitled to a per student base grant based on capacity to pay, plus additional needs-based loadings for disadvantage. There will be no disincentive to parental investment.

Along with other education stakeholders, independent schools and their representatives are engaged in discussions and negotiations to test the feasibility and impact of the proposed new funding arrangements. Critical to the success of the new approach is provision of the additional funding required for full funding of an outcomes-based resource standard and to meet the independent sector requirement that no school will lose funding in real terms.

The independent sector is also conscious that school achievement is not just a matter of money. A new funding model will need to preserve the recognised strengths of independent schools - choice, autonomy of operation, accountability for performance to the school community as well as to government, high expectations of all students and responsiveness to individual student need.



School funding legislation

The Schools Assistance Act 2008 provides for Australian Government recurrent, capital and targeted funding for independent schools for the quadrennium 2009–2012. The legislation was also amended in 2011 to add an additional year, 2013, to the original funding period. The legislation sets out expected accountability measures and attaches certain conditions to the allocation of funds, including a requirement for independent schools to participate in national testing, reporting and the implementation of the Australian Curriculum.

One of the conditions in the Act was a deadline of 31 January 2012 for independent schools to implement the national curriculum. It was clear by 2011 that this deadline did not allow the flexibility needed to accommodate the phased introduction of the curriculum. Following strong representations from the non-government sector, the legislation was amended in August 2011 to remove this requirement and new, more realistic conditions were built into regulations.

The Government continued its commitment to maintaining the value of its support for non-government schools through indexation in 2011. This led to a 6.9% increase in recurrent funding for primary students and a 4.8% increase for secondary students. Indexation is an important element of the funding system, enabling schools to meet rising costs and growing educational demands.

Building the Education Revolution

The significant investment in school buildings by the Australian Government since 2009 as part of the Building the Education Revolution (BER) initiative has led to great improvements in the buildings and facilities of independent schools. From a total investment of \$16.2 billion over 4 years, independent schools received \$1.8 billion.

Historically, parents have been the main contributors to capital development in independent schools, funding up to 80 % of the cost of new buildings and facilities. Significant private contributions by school communities were leveraged off the BER program, increasing its impact in the sector by about \$370 million. As an economic stimulus measure primarily, the program benefited many independent schools which had previously not been entitled to government funding for capital purposes.

The much-needed new facilities have helped meet the demand of growing enrolments and transformed the learning environment for thousands of children. Particularly significant were the libraries, halls, indoor sporting centres and other multipurpose facilities built in primary schools.

Despite widely publicised concerns about the implementation of the program in some jurisdictions, the independent sector, which received funding directly from the Australian Government, was commended for implementing the program efficiently and effectively and for achieving good value for money.



Digital Education Revolution

A key component of quality schooling in the 21st century is a technology-rich learning environment, so that students are well prepared to live and work in the digital world.

Independent schools benefited from the Australian Government investment in this important aspect of quality education under the umbrella of the Digital Education Revolution. Of particular value to the sector was the National Secondary School Computer Fund, which aimed for a 1:1 computer to student ratio for all Years 9 to 12 students by 2011. The roll-out of computers began early in 2008 and by the end of 2011, all independent secondary schools had received funding for the new ICT equipment, a total investment by the Australian Government of \$2.2 billion for all school sectors.

Participation in national initiatives

NATIONAL PARTNERSHIPS AND OTHER FUNDING

The independent sector welcomes the additional resources that have flowed to schools under the National Partnerships. Through this funding to meet centrally determined objectives and outcomes, independent schools have been able to make a greater investment in teacher quality and literacy and numeracy programs for students from low socioeconomic backgrounds, in improving retention rates and in reducing the educational disadvantage of Indigenous students.

Independent schools also participate in a small number of Commonwealth-funded specific initiatives outside the national partnership arrangements, such as the National Asian Languages and Studies in Schools Program, and the National Schools Chaplaincy Program, which was renewed and expanded in September 2011. Additional funding for the Chaplaincy Program and its expanded scope have enabled more schools to participate and meet their student wellbeing responsibilities in ways that best suit the needs of their school communities.

Funding for Targeted Programs, estimated at \$222 million in 2011, is administered in the independent sector by the Associations of Independent Schools which manage the allocations to individual schools and also provide specialist advisers, professional development and other invaluable support for teachers working with educationally disadvantaged students. This role may be in jeopardy if, as the Gonski Review recommends, targeted programs are phased out and funding for disadvantage is included in general recurrent funding as loadings added to the schooling resource standard. ISCA is not convinced that this is necessarily the most efficient or effective approach to meeting the educational needs of these students in independent schools.

CURRICULUM, ASSESSMENT AND REPORTING

Independent schools are full participants in national education initiatives aimed at enhanced school transparency, assessment and reporting. Garry Le Duff, Chief Executive of the Association of Independent Schools of South Australia represents the sector on the Board of Directors of the Australian Curriculum, Assessment and Reporting Authority (ACARA), the statutory body established in 2009 to oversee this agenda.

The sector has been closely involved in the ongoing process of developing the content of the Australian Curriculum, concerned to preserve the diversity of curriculum offerings in independent schools within the frame of agreed knowledge, skills and understandings required by all students in specific learning areas.

Amendments to the Schools Assistance legislation in August 2011 provided essential flexibility in the timelines for implementation of the curriculum to allow adequate consultation with schools in the independent sector.

Independent schools performed well in the national literacy and numeracy testing conducted in May 2011 under the NAPLAN program, accounting for a high proportion of the students in the highest performance band and a low percentage of the students below minimum standard. While remaining committed to continued improvement in these basic skills, independent schools are conscious that this is a narrow measure of school outcomes and are equally committed to a well-rounded high quality education across the whole spectrum of the curriculum.

The most prominent element of the Government's transparency agenda is the My School website, first launched in 2009 to make information about school performance widely accessible. For each school, NAPLAN results are linked to demographic data, using a purpose-designed Index of Community Socio-Educational Advantage (ICSEA) so the performance of a school can be compared with schools with a similar social mix.

A new version of the website, My School 2.0, was launched in March 2011, using a modified methodology for calculating the ICSEA, showing progress with achievement and incorporating school financial data. While ISCA welcomes this significant step forward in transparency, the quality and rigour of the data used for the website continues to be a matter of great concern.

What the data shows is a remarkable similarity in the social profile of government, Catholic and independent schools, and unexpectedly large variations within each sector. The financial data also show wide differences in per student funding levels between schools within each sector. On average, the net recurrent income per student for 2009 in independent schools was \$13,700, compared with \$11,100 in government schools and \$9,700 in Catholic schools. The data also confirm the large contribution parents make towards the funding of independent schools, accounting for 58 % of income compared with 6% in government schools and 28 % in Catholic schools in 2009.

EARLY CHILDHOOD REFORMS

An emphasis on quality provision in the early years of schooling is an important component of the national education agenda. Reflecting the wealth of research showing lifelong returns on investment in high quality early childhood care and education, especially for socially disadvantaged individuals and groups, the Australian Government has initiated an ambitious program to expand capacity, increase access and raise the quality of education in the early years.

Major reforms for early childhood have included the establishment of the Australian Children's Education and Care Quality Authority, the introduction of early childhood legislation in each state and territory to support the Authority and the introduction of a national quality standard and new assessment and rating system for all early childhood centres. Many independent schools provide early childhood services and Associations of Independent Schools have supported independent schools involved in implementing these initiatives.

STUDENTS WITH A DISABILITY

For some time, students with a disability in non-government schools have been significantly underfunded compared with their counterparts in government schools. Equitable funding for these students is particularly important to give parents choice and to offer appropriate educational opportunities. More than 13,000 students with a disability were enrolled in independent schools in 2011, a dramatic increase in numbers over the decade. Approximately 20% of these students are enrolled in special schools which provide alternative educational settings for students with high level needs.

The additional funding for students with a disability announced by the Australian Government in March 2011 was a welcome boost to the capacity of independent schools to cater for students with a disability. Also welcome are the proposals in the Gonski Review for a nationally consistent approach to assessing the resourcing needs of students with a disability, and for equitable funding for these students, regardless of whether they attend a government or non-government school.

INTERNATIONAL STUDENTS

About 9,500 overseas students were enrolled in 360 independent schools in 2011. Independent schools value this international element and the diversity these students bring to their school population.

During 2011, ISCA made submissions to several government reviews on various aspects of the overseas student program, including tuition protection, visa arrangements and the Education Services for Overseas Students (ESOS) legislation. ISCA's objective was to advocate strengthening protections for students and to make sure that new procedures and processes in the regulatory environment for international students took into account of the autonomous nature of independent schools so that the sector can continue to offer reliable and high quality education to international students and provide support while they are studying here.



Independent Schooling in Australia – a snapshot

CHARACTERISTICS OF THE SECTOR

Independent schools are not-for-profit institutions that are set up and governed independently on an individual school basis, although some schools (18% of schools in the sector) with common aims, religious affiliations and/or education philosophies also belong to systems.

Independent schools are a diverse group of 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.

Size of independent sector

NUMBER OF INDEPENDENT SCHOOLS			SCHOOL TYPE	
Primary	234	23%	Boys schools	6%
Secondary	68	7%	Girls schools	8%
Combined	653	64%	Coeducational schools	87%
Special schools	65	6%		
Total	1,020	100%	Boarding schools	149

Australian Bureau of Statistics (ABS) data does not categorise independent Catholic schools as independent. These schools are a significant part of the independent sector and when included there were a total of 1,086 schools and 552,800 full-time equivalent students in 2011.

STUDENT ENROLMENTS

The independent school sector is the third largest school education provider in Australia and at secondary level is the second largest provider of schooling services. Enrolments in independent schools have grown steadily since the 1970s. In 2011, independent schools (excluding independent Catholic schools) accounted for 14% of total student enrolments, compared with 4% in 1970. Full-time enrolments have increased from around 114,000 in 1970 to 500,600 in 2011.

Enrolments in independent schools, 2011

	MALE	FEMALE	TOTAL
Primary	119,225	118,241	237,466
Secondary	130,645	132,447	263,092
Total	249,870	250,688	500,558

Indigenous students in independent schools	9,518
Students with disabilities in independent schools	13,148
Overseas students in independent schools	7,331
Boarding students in independent schools	16,511

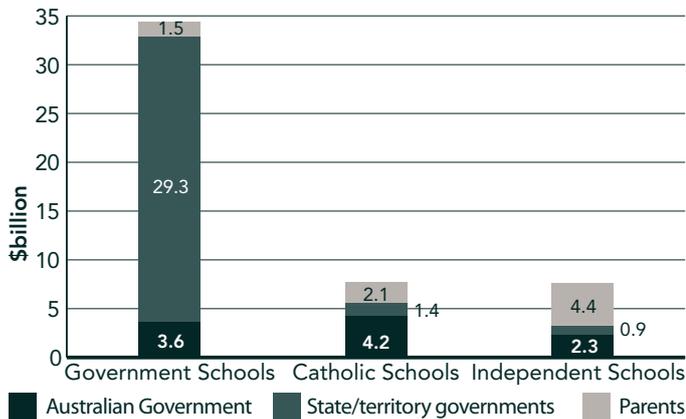
FUNDING

Independent schools receive funding from the Australian Government, state and territory governments and parents, with the majority of funding (55% on average) coming from parents. The proportion of private and public funding varies greatly from school to school.

Public funding of independent schools

All state and territory governments and the Australian Government share responsibility for the public funding of schools in Australia. State and territory governments are the main public funding sources for government schools, while the Australian Government is the main public funding source for non-government schools.

Recurrent funding for school education, 2009–10



Average government recurrent funding per student 2009–10

Government school	\$14,380
Non-government school	\$7,430
Independent school	\$6,450

State and territory government funding

Overall, state and territory governments provide 27% of total government recurrent funding for independent schools. However the levels of funding for schools and methods used to assess them varies among the states and territories.

Australian Government general recurrent grants

The Average Government School Recurrent Costs (AGSRC) amount is used to determine the level of Australian Government recurrent grants for non-government schools. The changes in the recurrent costs of educating a student in a government school, as measured by the AGSRC index, are the basis for annual increases in Australian Government funding for both government and non-government schools.



Looking ahead

As the peak national body for independent schools, ISCA works closely with the eight state and territory Associations of Independent Schools to represent the interests of the sector to government and the wider community. This advocacy function has been particularly important in influencing the detail of the far-reaching education reforms introduced since the election of the Rudd Labor government in November 2007. It will be equally critical in the lead-in to the new funding period due to begin in 2014.

Just as representing the interests of the sector to the Gonski review of school funding was a priority activity for ISCA during 2011, responding to the proposed reforms will be a major focus over the next year. ISCA will work with other education stakeholders to assess the detailed implications of the Gonski proposals, test the impact of the new approach on individual schools and develop and refine elements of the new model. Of particular interest to the sector will be the extent to which reforms embody the essential principles for an efficient, effective and equitable funding system, the degree of additional government intervention which may accompany realigned and rebalanced roles for the Australian Government and state and territory governments, and the robustness of the data on which funding entitlements are calculated.

ISCA will continue to argue for ongoing sustainable levels of government support for independent schools and for funding certainty so that schools can plan confidently for future enrolments.

In its representations to government, ISCA will continue to draw on its own program of research and data analysis and the detailed knowledge of the state and territory Associations in order to increase understanding of the nature of the sector and to highlight the contribution the sector makes to the common good. The objective is a policy environment for education that will enable parents to freely choose from a diversity of schooling options where all schools will provide high quality education for all students, irrespective of family background, location or disadvantage.

REPRESENTING SECTOR INTERESTS

Providing a national voice

ISCA is the national peak body for independent schooling in Australia. Its eight member associations represent a growing sector of almost 1,100 schools and 550,000 students, or around 16 per cent of total Australian school enrolments.

ISCA's role as peak national body for the independent schools sector is grounded in structures that take account of the full diversity of the sector.

ISCA's policy-making is the responsibility of its Board of Management, which is made up of a Chairman and one delegate from each of the eight State and Territory Associations of Independent Schools (AISs). AIS Executive Directors constitute the ISCA Executive Directors' Council (EDCO). EDCO provides advice to the ISCA Executive Director.

ISCA also consults regularly with other national independent school bodies individually and through the ISCA National Consultative Group, which comprises Adventist Schools Australia, Association of Heads of Independent Schools of Australia, Anglican Schools Australia, Australian Association of Christian Schools, Australian Council of Jewish Schools, Australian Federation of Islamic Councils, Australian Muslim Schools Association, Australian Parents Council, Christian Education National, Christian Schools Australia, Greek Orthodox Schools, International Baccalaureate – Australasia, Lutheran Education Australia, Montessori Australia Council, Montessori Australia Foundation Ltd, National Independent Special Schools Association, Steiner Education Australia and Uniting Church in Australia National Assembly. ISCA also liaises regularly with the National Catholic Education Commission.

ISCA maintains links with international independent school organisations in New Zealand, the USA, UK, Europe, South Africa and the Pacific region, through sharing of research and materials and reciprocal attendance at conferences and meetings.

ISCA

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