

Needs-based funding for schools

Families are the primary source of funding for the independent schools sector, with private contribution accounting for some 60 per cent of sector income.

Government funding represents 40 per cent of sector income, although the amount of government funding for which an individual student is eligible – and therefore how much a school receives – varies widely.

The bulk of government funding available for independent schools comes from the Australian Government and most of this funding is in the form of per student general recurrent grants.

General recurrent grants assist schools with on-going operating expenses, such as staffing costs. They are vital in helping independent schools provide students with a quality education that meets community standards and the public goals for schooling.

Measuring need

Australian Government general recurrent grants for non-government schools are distributed according to relative need.

Need is measured by the capacity of the school's community to support it. This is determined by the socio-economic status (SES) of the school community, according to the income, education and occupation of parents.

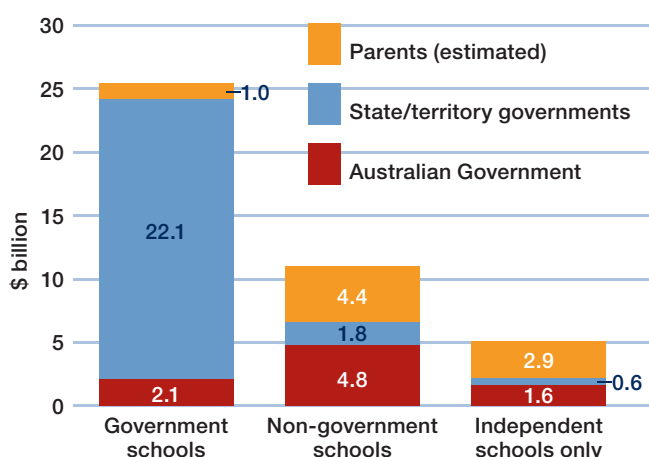
To determine a school's SES profile, each of its students is assigned an SES score based on data from the Census Collection District in which the student lives. Student scores are averaged to produce an SES score for the school.

The majority of non-government schools – both Catholic systemic and independent – are in the middle range of SES scores.

Under the SES model, students attending schools with a higher SES profile are eligible for less funding than students attending low SES schools.

All school students should be adequately resourced by governments to meet the national goals of schooling.

Recurrent funding for school education in Australia 2004-05



Recurrent funding includes general recurrent grants and targeted program grants that address specific areas of disadvantage or support specific educational goals. All Australian schools receive recurrent funding from both the Australian Government and their state or territory government, and comparisons of government funding should take account of both sources. In 2004-05 government schools enrolled 67 per cent of students and received 79 per cent of total government recurrent expenditure on schooling; independent schools, with 13 per cent of enrolments received 7 per cent of government recurrent funding.

For example, a secondary student attending an independent school with a high SES score of 130 is eligible for a minimum grant of \$1,277 while a student at a school with an SES score of 85 is eligible for the maximum grant of \$6,524.

The maximum secondary SES grant is still well short of \$12,200, the average total government expenditure on a secondary student attending a government school.

Students with high level needs deserve the maximum SES grant irrespective of family circumstances.

Strengths of the SES model

The SES model is more equitable and effective than previous funding models. Its methodology:

- is transparent, and is based on data that cannot be manipulated to influence funding
- is administratively simple for schools
- provides a credible way to rank schools according to each school community's relative capacity to support itself
- is flexible to changes within a school community
- does not discourage parents from investing in their children's education
- provides the longer-term predictability and stability that schools need for planning purposes.

Recognising special cases of need

Independent special schools serving children with severe physical and intellectual disability are deemed to have an SES score of 85 to enable these students to attract the maximum grant.

In 2006 the Government deemed schools that cater for students with social, emotional or behavioural difficulties as 'special assistance' schools so that at risk students requiring high levels of support could receive the maximum grant.

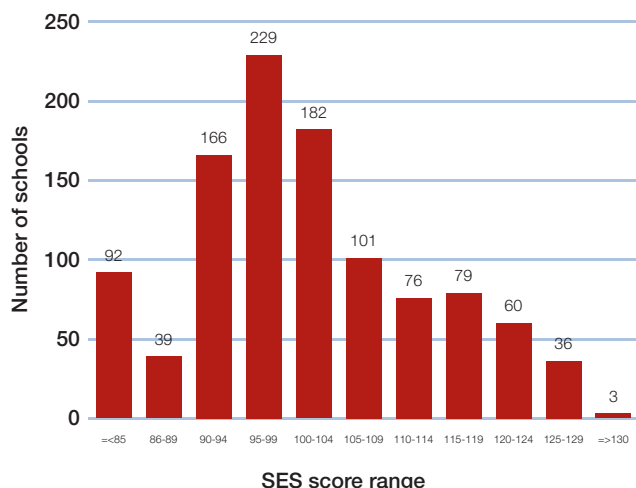
Schools that cater predominantly for Indigenous students should also be funded as 'special assistance' schools.

The high cost of school provision in regional and remote areas is also a special case of need. In the Northern Territory for example, the costs of schooling can be 50 per cent higher than the national average.

ISCA welcomes the Government's 2007 Budget announcement of a rural and remote loading on SES grants.

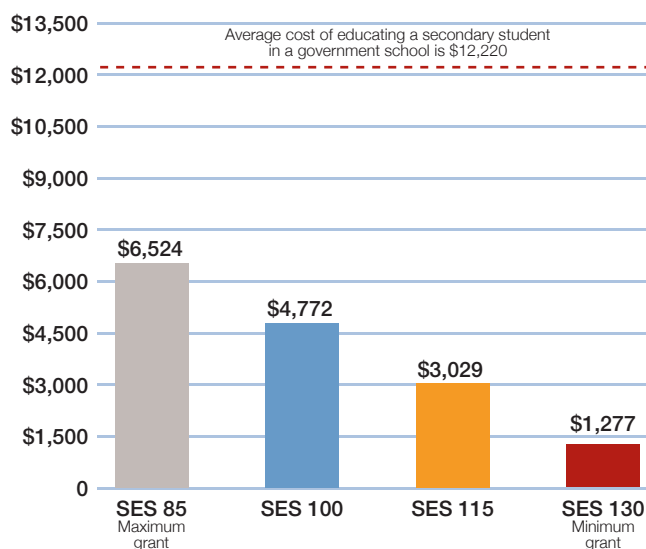
Continuation of the SES model into the 2009-2012 funding period will provide the stability and certainty in funding arrangements that are essential for schools and their communities.

Distribution of independent schools by SES score range



The independent schools sector serves the full range of Australian communities. This is reflected in the spread of SES scores for independent schools.

Australian Government SES grants for secondary students in independent schools, 2007



For primary students in independent schools, the minimum SES grant is \$989 and the maximum is \$5,052. The average cost of educating a primary student in a government school is \$9,750 per year.

Australian Government general recurrent grants are per student grants allocated on a sliding scale according to relative need. Students attending lower SES schools are eligible for greater public support, although the level of this support is much lower than what the student would receive if they attended a government school. Students attending the highest SES schools are eligible for a minimum grant. This minimum grant recognises that governments have a responsibility to provide each Australian child with reasonable funding for their schooling, irrespective of their family background or the school they attend.

More information about independent schools is available at www.isca.edu.au