

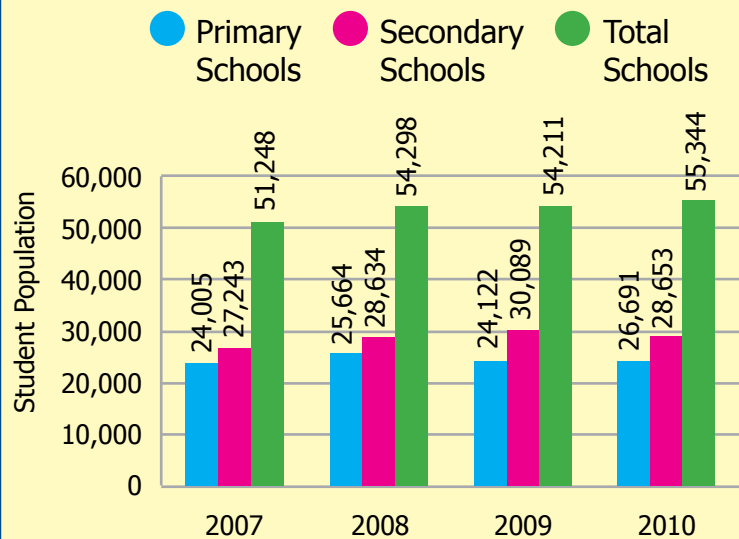
West Australian *Independent* Schools

The independent sector is the fastest growing education sector in Australia with an average growth rate of 3% p.a. over the last 15 years. In WA there are 148 independent schools (non-government, non-Catholic). In WA the sector educated over 55,000 students in 2010, representing nearly 17% of all students. There are 14 Aboriginal Independent Schools in the sector, six CARE (Curriculum and Re-Engagement) schools, as well as Montessori Schools, Steiner Schools, large low fee co-educational schools and long established higher fee single sex schools.

Schools are spread from as far north as Purnululu (near Kununurra), south to Esperance, west to Carnarvon and east to the Great Sandy Desert. While the majority of schools are in the metro and outer metro area, 37 are rural and remote. The sector has schools from a range of religious backgrounds with the majority Christian but also a number of Islamic schools and a Jewish school. The sector also has a number of community based secular schools. All schools are run by a governing body that is responsible for the hiring and performance management of the principal and the financial viability of the school.

Figure 1

Growth of Independent Schools in WA



ABS Data 2010

2007-2010

Funding models for education should reflect three fundamental concepts:

- Individual choice in schooling.
- Diversity of schooling options.
- Committed partnerships between schools, parents and governments.

To support these concepts, the following principles should underpin school funding policies:

- A basic entitlement for all students.
- Additional needs-based support to recognise relative educational disadvantages of students, e.g. students with disabilities, from non-English speaking backgrounds, Indigenous students, and students from rural and remote areas.
- Stability and predictability supports responsible planning within the school and for families planning their personal contributions to their children's schooling.
- Annual indexation.

Fundamental Funding Models & Principles

The essential criteria for public funding structures for non-Government schools are:

- Equity** - per student funding for schools serving communities with similar attributes should generally be comparable;
- Incentive** - the funding arrangement 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 responding to changes in their school community;
- Transparency** - assessment of need should be based on reliable transparent data;
- Simplicity** - the funding arrangement should be simple to administer, with low administration costs for government and compliance costs for schools;
- Predictability** - schools should have a high degree of certainty about future funding to facilitate financial planning and management.

Essential criteria for public funding structures for non-Government schools

West Australian *Independent* Schools

All schools receive public funding from their state or territory government and the Australian Government. The amount each school receives depends upon:

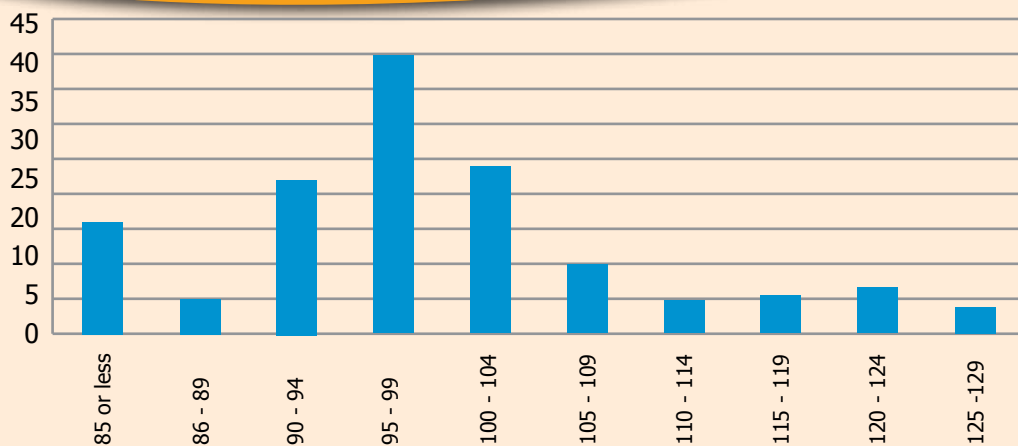
- Its sector.
- The state or territory in which it is located.
- The socio-economic background of its students, in the non-government sector.

The Australian Government uses a funding model that measures the SES (socio-economic status) of individual school communities to assess the level of funding eligibility of students in non-government schools. The higher the SES score the less public funding a school receives. The minimum grant a school receives is 13.7% of the measure of the Australian Government School Recurrent Cost (AGSRC), and there is a sliding scale up to a maximum grant of 70%.

Independent schools are responsible for covering all expenditures within their schools – both recurrent (staffing and consumables) and capital costs. To plan for capital expenditure schools undertake fund raising and savings programs, and must borrow money, often at commercial rates, so that their students have access to quality capital infrastructure.

Figure 2

Distribution of SES Scores in WA Independent Schools

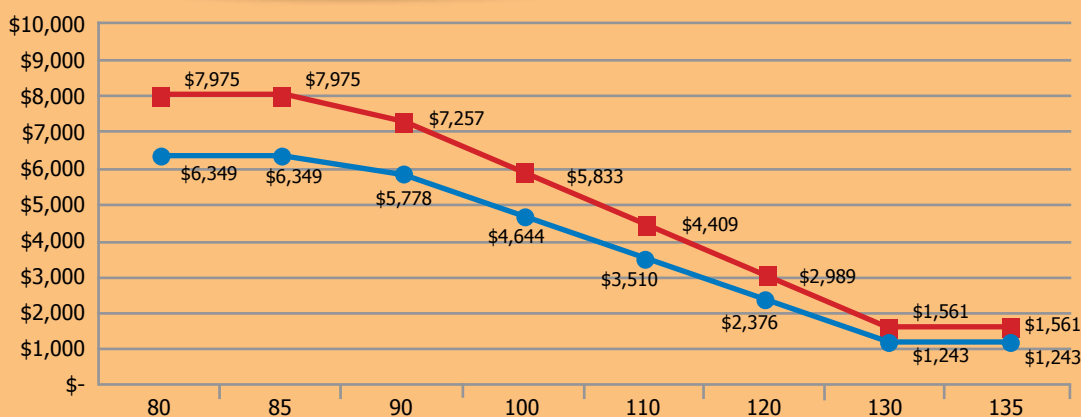


Department of Education, Employment & Workplace Relations 2010

60% of independent schools in WA have an SES of less than 100. The lower the SES, the greater the level of Australian Government assistance to the school.

Figure 3

The SES System of Grants



Department of Education, Employment & Workplace Relations 2010

Final 2010 AGSRC

Primary \$ 9,070

Secondary \$11,393

Primary



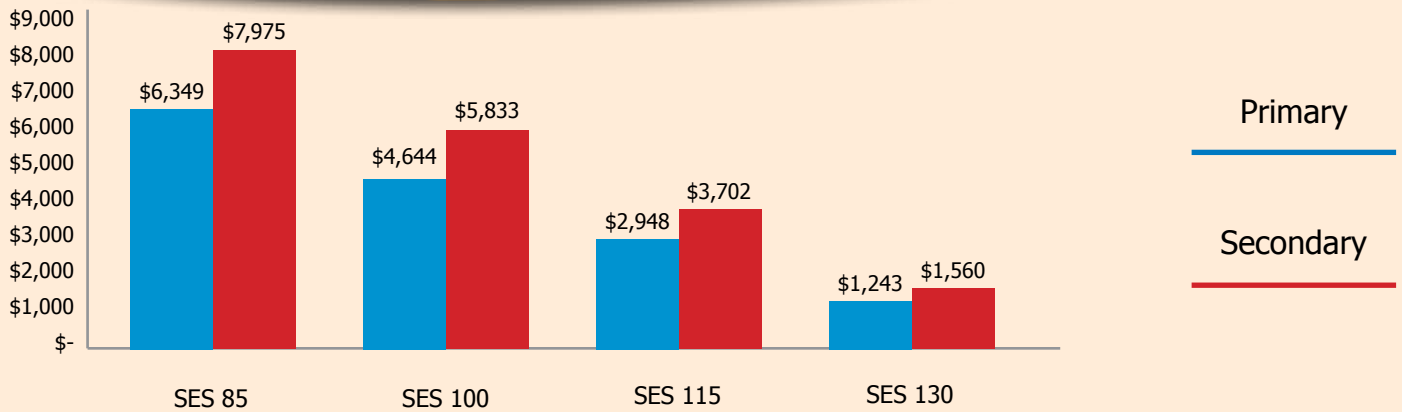
Secondary



West Australian *Independent* Sector

Figure 4

Australian Government SES Grants for Primary and Secondary Students 2010

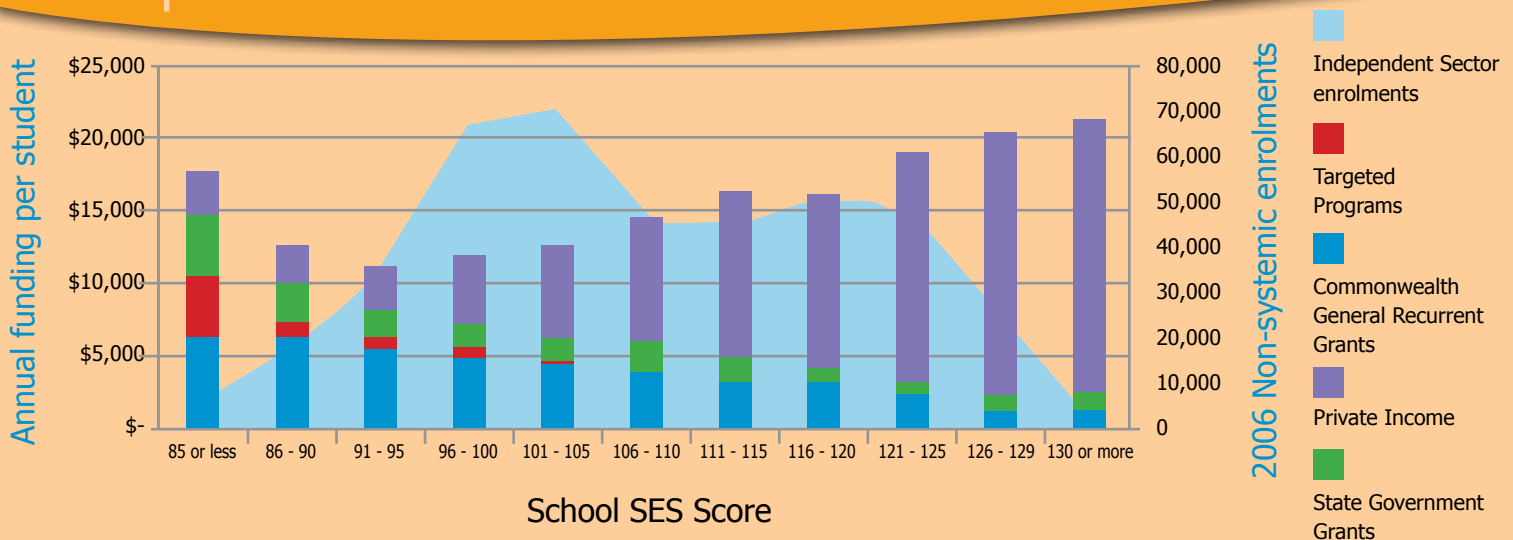


Productivity Commission Report on Government Services 2010

Schools with a high SES receive considerably less funds from Australian and State Governments and their main source of funds is through the collection of fees. The following graph shows the amounts (left hand axis) funded for non systemic schools in the independent sector overlaid on the population data (right hand axis). Though it is evident high SES schools collect much larger amounts in fees than low SES, even the low SES schools collect fees.

Figure 5

Non Systemic School Funding Sources 2006 - 2007



ANAO analysis of Non-government Schools Financial Questionnaire data & DEEWR Census

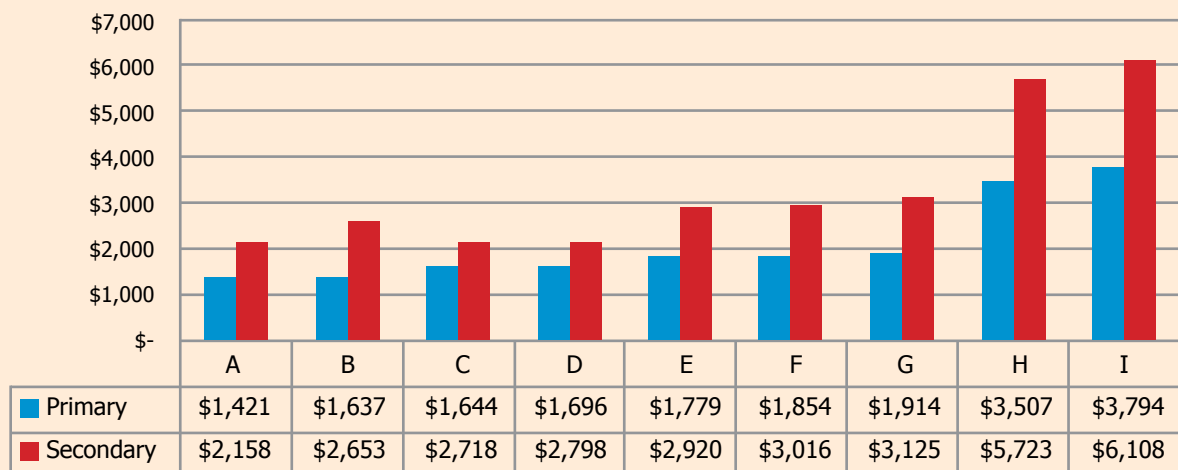
State and Territory governments own and are responsible for government schools and provide the bulk of the funding (91.4%) to government schools. There are significant differences in the levels of funding provided by each State and Territory government to government and to non-government schools. In WA independent schools are given a State Category that is similar to the Australian Government's SES as it reflects the ability of schools to provide an education for their students and to some extent their capacity to collect fees, but it does not have a direct correlation to the school's SES. Most of the high SES schools are Category A or B, while lower SES schools are F or G. There are two additional categories one for Independent Aboriginal Schools (Category I) and one for Curriculum and Re-engagement Schools (Category H) that take students at educational risk.

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Figure 6

Independent Schools by State Category

DOLLARS



Department of Education Services WA 2011

In WA the total cost of educating a student in a government school was \$15,853 (2007-2008). No independent school received this amount in government grants. An independent school with a high SES and a State Category A would get less than \$4,000 a year per student in government assistance, while a Low SES school (85) and a State Category I would get about \$10,000 for a primary student and over \$13,000 for a secondary student.

On an average basis WA Government schools get a combined income from the State and Australian Governments of \$15,853 per student, compared to an average of \$6,908 per student in the independent sector.

Figure 7

Average Government recurrent funding per student by state 2007 - 2008 (latest available)

