Adventist Education in North New South Wales

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Mr Michael Chaney AO
Chair
National School Resourcing Board

Submission to the National School Resourcing Board
Review of Regional Schooling Resource Standard Loadings

Thank you for the opportunity to provide a submission to the National School Resourcing Board in relation to the review of the regional schooling resource standard loadings.

Seventh-day Adventist Schools (NNSW) Limited (SDAS NNSW) is an Approved System Authority operating nine Seventh-day Adventist Schools located north of the Hawkesbury River, through to the Queensland border in northern NSW.

Of the nine schools operated by SDAS NNSW, operationally we consider five to be regional schools, across which we have a 2020 census total regional enrolment base of 1,109 students. This regional enrolment base represents approximately 29% of the total SDAS NNSW enrolments.

Summary

SDAS NNSW understand that operating a school in a regional area is vastly different to operating a school in a major city. Further, SDAS NNSW agree that schools in regional areas should receive additional funding by way of a location loading through the funding model. In this submission SDAS NNSW will share from our perspective the reality of the regional local school community and the factors that contribute to a school's location being either advantageous or disadvantageous.

In this submission SDAS NNSW will comment specifically on Focus Question 5 considering the appropriateness of the ARIA+ and the classifications of locations.

While the current methodology has strengths, SDAS NNSW believes that there are aspects that can be improved and other considerations worth investigation.

SDAS NNSW makes this submission with the intent of providing a focused lens for the Review Board to consider through, as they assess the appropriateness of the current location and size loading structures.

Focus Question 5

The 20km Radius Rule

SDAS NNSW believe that the most important and relevant demographic community and economic network of a school can be measured to be within an indicative 20km radius of the school. *(NB: the more rural the location, the larger this radius may in fact become, with the peer notion of a 30min*

drive being a comparable measure). In our view, a school will either enjoy location advantages, or suffer disadvantages, based on the makeup and layout of this circle / catchment zone.

In the experience of SDAS NNSW, schools that have strong demographic and demand profiles within that circle have an advantage over schools that do not have comparable circle profiles. This is most easily made visible when assessed through the context of consistent and easy to manage student enrolment numbers. However, the circle profile impacts on more than just demand; as schools that have access to a wide range of services, contractors and facilities within their circle will also be at an advantage versus school locations that do not. A simple example of this is the tendering process for construction projects; where the access to multiple tenders and the size pool from which contractors can be sourced from directly correlates to the scale / size of the circle profile. Conversely in smaller networks, the financial impacts of less competition very often leads to higher construction and consulting services costs.

Another advantage of a highly populated 20km radius is access to staffing. It is easier to employ people when there is a higher population density immediately around the school, and it is also easier to attract staff to schools which are located in more highly populated circles. SDAS NNSW are currently investigating an additional salary loading for staff that are placed at some of our regional schools to address real recruitment issues that are becoming even more and more pronounced in rural / regional locations. Needless to say, this would represent an increase in the cost of service delivery at our regional schools compared to our city / metro schools.

Another example of a challenge in the less populated, more regional 20km circles, is the impact of a natural disaster on the school's community. Because the community is smaller, when a disaster hits resulting in job losses, people may not be able to find another job in the same community and often are forced to move away to find work. When this happens, the school not only loses part of its 20km community and potentially some of its student numbers, but this loss also represents a segment of the circle that is rarely replaced.

Therefore, for these reasons, SDAS NNSW believe that the indicative 20km radius (the community) around a school, needs to form the basis for any context used in assessing the advantage, or disadvantage, of a school's location.

Current Methodology Limitations

Given this context, and importance of the indicative 20km radius for a school, SDAS NNSW believe that there are some opportunities for improvement with the calculation of the ARIA+ score and the calculation of the location loading.

ARIA+ Score Calculation

While the ARIA+ score may be a fair measure of the remoteness of a town, SDAS NNSW believe that in its use for this purpose, it must also be viewed through the local education and community lens. The current ARIA calculation methodology measures the distance of a location to its closest service centre in each of the five size categories. The scores are ultimately then aggregated to provide an index of accessibility and remoteness. Through the education and community lens, SDAS NNSW believe that ultimately, demographic indicators outside the 20km radius of a school bring no real advantage as the closest service centre, unless it is a category A service centre.

The other variable that the ARIA calculation does not factor in is State borders. Education is State based and therefore in the education context the borders can act like barriers, and depending on the location of the school the border may decrease the size of a schools 20km radius quite abruptly.

Obviously, 2020 is no normal year, but it has given us an example, albeit in a wider context, of the barrier that a State border can be.

ARIA index value

For the government funding calculation, SDAS NNSW feels that the relationship of the ARIA index value against the six categories for school remoteness would benefit from a rework. We can see that the logic for the higher ARIA scores may work well, but we would challenge the distinction of an "Inner Regional School" starting at an ARIA value of one and all schools with an ARIA score of less than one being considered to be major cities; a measure we see as not truly being representative.

This is highlighted when SDAS NNSW consider Blue Hills College, a school operated by SDAS NNSW in the town of Lismore NSW. According to the 2016 Census, Lismore had a population of approximately 27,569 people, the town is 125km and 1hr 30mins drive time from the Gold Coast which is a service centre category A city under the ARIA methodology.

Under the current calculation methodology Blue Hills College is considered to be a major city school because it has an ARIA score of 0.54. If we again consider the 20km radius for a school in Lismore, the current classification for Lismore as a major city would assume that the 20km radius for this school has the same advantages as a school in a category A location. Clearly it does not.

Location and Size Loading Complexity

SDAS NNSW notes that the current location and size loadings within the funding model are very complicated. This complexity makes it difficult for schools and systems to have a clear picture of the location and size loadings they are receiving and the methodology and logic behind the calculation. From a transparency and usability point of view SDAS NNSW would see value in any new methodology being simpler to understand and communicate.

Suggestions for Consideration

Stronger emphasis put on the indicative 20km radius around a school

As unpacked earlier, from an operational perspective the majority of the social and economic life blood of a school comes from a 20km radius around the school.

SDAS NNSW would see benefit in the regional loading factoring in the immediate community and network around a school.

One way to do this might be to split the calculation of the location loading and partially calculate it based on the ARIA+ score and partially calculate it on the population density of the indicative 20km radius around a school to give a more nuanced and targeted assessment to the school's actual location.

Calculation based on proximity to a category A town

Given the significance and impact of the 20km radius for a school, under the ARIA methodology SDAS NNSW believe a school in a category A town will have the highest advantage. SDAS NNSW then also believe that location, with respect to a category A town, will have a bigger impact on its 20km radius than the other size categories currently being aggregated.

Therefore, another way that the regional funding could be measured would be to measure it based on proximity to a school's closest category A town. The current ARIA methodology factors in the size of different towns near a school while expanding out to the school's closest category A town. While in

theory this may make sense, in practice if the neighbouring towns are outside of the schools 20km radius than we do not perceive the location advantage that the calculation currently indicates.

We agree that if there are other towns in a regional setting that are within the 20km radius they will contribute to the schools benefit, but outside of that 20km radius we see the next increase in location advantage coming from the closest category A town.

Reconsideration of ARIA index value scaling

Under the current methodology any school with an ARIA index value of less than one does not receive any location loading. Given the significant spread in the location of schools from 0 to 0.99 SDAS NNSW feel that the scale could be reworked to acknowledge that vast difference in locations of schools at 0 and schools at 0.99.

This could be achieved by reworking the scaling to have more than the current six classifications for school locations. In the new classifications we would suggest that the lowest split be implemented below the number one.

Conclusion

The location loading is an important part of the overall funding calculation and SDAS NNSW appreciates the efforts of the National School Resourcing Board to review this loading to ensure that it is as effective as possible.

SDAS NNSW welcomes the opportunity to be make this submission and is open to further dialogue and discussion.

If you have any questions or would like further information or clarification on any points in this submission, please feel free to contact us.

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