

Review of the Socio- Economic Status Score Methodology

Submission by
The Association of Independent Schools of the
ACT (AISACT)

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Introduction

The Association of Independent Schools of the ACT (AISACT) welcomes the opportunity to provide a submission to the National School Resourcing Board (NSRB) into the current arrangements for determining the capacity of non-government school communities to contribute to the operational costs of their school – the Socio-Economic Status (SES) score.

The ACT independent school sector provides a diverse range of schooling options to families living in the ACT and in the surrounding region, and to families needing boarding school facilities.

Independent schools play an important role in providing educational alternatives to those provided by the government sector. The ACT community is multicultural and diverse and the independent school sector reflects this. It should be a basic premise that parents should have a choice, where possible, about where their child is educated. There are many reasons underpinning parental choice, including pedagogical style, learning environment, faith, values, gender, school culture and pastoral structures.

Independent schools have emerged in direct response to community demand and have a long history of accepting an educational leadership role in the national capital, and a shared role with governments, in setting up schools in the ACT.

In the end, it is about parents finding a school which provides the best ‘fit’ and, therefore, the best opportunities for success for their child.

All students, irrespective of where they are educated, are entitled to a high quality of education, and it is the responsibility of governments to provide a suitable level of funding for all students to achieve quality outcomes.

Government funding is an essential ingredient in ensuring the financial viability of independent schools in the ACT. All schools make strategic, long-term decisions based on the level of funding from governments continuing at a known level (with indexation). Schools’ financial viability and forward planning require funding certainty from governments for a reasonable time cycle.

In addition, parents of children at these schools have predicated their decisions concerning the future of their child on an assumption of a continuing proportion of government funding and hence, a stable and sustainable fee structure.

The nature of Independent schools in the ACT

Independent schooling has a long and proud history in Canberra, starting in the 1920s prior to the opening of (Old) Parliament House.

There is an extraordinary diversity in the type of school environment offered by Canberra's 18 Independent Schools; size, gender, ethos, faith/religion and pedagogical approach. They include:

- Schools affiliated with Christian denominations, for example: Anglican, Catholic, Seventh Day Adventist
- Non-denominational Christian schools
- Islamic schools
- A Montessori school
- A Rudolf Steiner school
- Community schools
- Schools that cater for students at severe educational risk due to a range of social/emotional/behavioural and other risk factors.

The Association represents all eighteen independent schools which together educate 14,318 students, or around 19% of the ACT school population (29% of ACT high school students attend Independent schools). Enrolment in Canberra's Independent schools has historically been very strong, and have seen a 21% increase in student enrolment over the past 10 years.

Independent schools in the ACT have a wide range of student populations, with the smallest school having 27 students and the largest over 1800 students.

Table 1: ACT Independent School Size, 2017

Size of School by enrolments	No	%
Less than 100	3	17%
101 - 400	5	28%
401 - 1000	3	17%
1001 - 1400	1	6%
1401 - 1800	5	28%
1801+	1	6%
Total	18	100%

Source: Canberra Schools Census February 2017

What are the strengths and limitations of the current SES methodology?

The research paper *Review of the Socio – Economic Status Score Methodology* prepared for the Australian Department of Education and Training has, through its analysis of the SES score since its introduction in 1996, already raised many of the issues and areas for further exploration which AISACT supports.

AISACT notes the SES methodology, in place since 2001 and used in determining the Commonwealth's recurrent funding contribution for individual non-government schools, provides a mechanism for calculating a school community's capacity to contribute (CTC) to the operating costs of a school. In so far that the methodology provides more government funding to low SES schools, assumedly serving communities with a lower capacity to contribute, and less funding to high SES schools, the model is successful.

SES scores for non-government schools are calculated based on Australian Bureau of Statistics (ABS) Census data. The four dimensions applied to this calculation are education, occupation, household income and income of families with children, with this data being collected at the Statistical Area 1 (SA1) level (average population of about 400 persons). Weighted averages are then applied to this data, with the weightings being: 1/3 education, 1/3 occupation, 1/6 household income, 1/6 income of families with children. AISACT suggests that consideration be given to the weighting placed on this data, and further raises the issue as to whether these data sets are still relevant in 2017, or whether there might now exist further/alternative data sets which would provide the level of granularity needed.

As indicated in the research paper this is only collected every 5 years, and while this timeframe provides – in the context of school funding – certainty and stability of funding over time, the robustness of this data might be questioned.

In the ACT, there is a certain degree of angst amongst independent schools that the calculation of a school's SES, using the current dimensions and weightings, does not provide an SES score which is comparably reflective of the community the school serves, or against independent schools in other jurisdictions.

Issues

There is a view that, particularly in a location such as Canberra, that the intent of the methodology does not deliver the anticipated outcome envisioned in the methodology.

In a city like Canberra, where local government planning policy decisions in the past have resulted in a very homogeneous society, SES scores may not indeed reflect the true fabric of a school's community. Many Independent Schools have been able to maintain a reasonably low fee structure which has enabled students from low socio-economic families to enrol which has many benefits, as it ensures independent schools are accessible to a broad cross-section of the community.

The use of Socio-Economic Indexes for Areas (SEIFA) has shown that the ACT has one of the highest proportions of diverse collection districts. The ‘salt and pepper’ approach to diversification of housing in the ACT is well known; generally, suburbs have high numbers of both the most and the least disadvantaged individuals living ‘side by side’ (Detecting Disadvantage in the ACT: Report on the comparative analysis of the SEIFI and SEIFA indexes of relative socio-economic disadvantage in the Australian Capital Territory – ACT Government 2012). According to this report, the ACT has a much higher level of relative disadvantage than previously reported in the SEIFA, and that the ACT experiences much greater disadvantage than is reported nationally.

The report highlights that, in a pattern more common in the ACT than other jurisdictions, many of the ACT’s disadvantaged individuals live in the same geographic areas as the least disadvantaged.

The Research paper also mentions the Ecological Fallacy, as articulated in the 2014 research *Two Tales of a City* - where differences between the SES of Students attending a non-government school and the area in which they live may lead to a School’s SES score not accurately reflecting the capacity to contribute of the school community. AISACT suggests that this issue requires further examination, in particular as it pertains to the ACT.

Education and Occupation

The ACT is traditionally considered to be a public service city, although those working in both Commonwealth and ACT public service positions are not the majority of workers in Canberra, making up approximately 42% of the workforce (APS – 32%; ACT PS 10%). This also reflects the issue that the ACT workforce is predominately a PAYG workforce.

Anecdotally, some Member schools reported that parents indicated an occupation or profession, but in fact had not (ever) worked in that field. The data collected through the census needs to truly reflect a person’s current employment in a specific occupation. AISACT would question the accuracy of the current available information and believes that further granulation is required to ensure that it is a true indicator of capacity to contribute.

The correlation between education and capacity to earn a high income might have had greater relevance when the SES model was first established, but the rigor of this data and the weightings given to education, might now require some consideration. There is a belief that the one third weighting on education is negatively affecting SES scores in the ACT. Both the Federal and ACT public service have generous conditions regarding study leave and reimbursement of study fees for ‘job related’ tertiary education, but these graduate and post-graduate degrees do not automatically translate into promotion positions. It might therefore be assumed that for 42% of the ACT workforce, a higher level of education does not necessarily lead to higher paying jobs.

AISACT suggests that greater granulation of income details on census collection and a model with greater weighting on income levels might be useful in determining more realistic SES scores.

School fees

AISACT does not endorse the use of school fees in calculations of capacity to contribute. The issue is self-fulfilling; should schools receive a greater funding entitlement from governments because they maintain low fees, the possibility exists that setting low fees to

attract greater funding becomes the driving parameter for schools, which would not of itself be a determinant of the capacity of a school community to contribute to the operation of a school through fees.

Granularity of data

Two thirds of the weighting of the four dimensions used to determine an SES score are based on education and occupation. The considered view from the Association is that there is insufficient granularity of these data sets for a true reflection of parents' capacity to contribute, and the assumption that many parents' data might not demonstrate a direct link between the two.

Conclusion

The Association of Independent Schools of the ACT acknowledges there is a need to use a measure of the capacity to contribute when allocating funds to schools. AISACT considers that any model which is to be applied to school funding needs the veracity to be able to compare schools across jurisdictions.

AISACT believes that there is a need for further modelling to be conducted which would either re-validate or further refine the scores generated through the SES methodology. The suggested benefit of this would be to capture and reflect the unique nature of the ACT community.

**Association of Independent Schools of the ACT
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