



Submission from the Association of Independent Schools of NSW

Review of the Socio-Economic Status Score Methodology

20 February 2018

The Association of Independent Schools of New South Wales Limited

Level 12, 99 York Street, Sydney NSW 2000
Phone (02) 9299 2845 Fax (02) 9290 2274
Web www.aisnsw.edu.au Email ais@aisnsw.edu.au
ABN 96 003 509 073

Submission from the Association of Independent Schools of New South Wales (AISNSW) Ltd

This submission has been prepared by the Association of Independent Schools of NSW (AISNSW) in its role as the peak body representing the diverse range of independent schools in New South Wales.

The AISNSW supports the submission prepared by the Independent Schools Council of Australia (ISCA) and endorses the content of that submission.

This document complements the analysis and conclusions of the submission provided by ISCA.

For further enquiries or additional information relating to this submission please contact:

Dr Geoff Newcombe

Chief Executive

The Association of Independent Schools of NSW

Level 12, 99 York Street

SYDNEY NSW 2000

Email: gnewcombe@aisnsw.edu.au

Phone: (02) 9299 2845

The AIS will be pleased to elaborate on any aspects of this submission as required.

Yours sincerely,

Dr Geoff Newcombe

Chief Executive

Contents

Introduction	4
Analysis of family income using 2016 ABS Census data	7
Conclusion	11

Introduction

The Association of Independent Schools of New South Wales (AISNSW)

The AISNSW is the peak body representing the independent schools sector in this State. The AISNSW represents more than 482 schools and campuses, enrolling almost 200,000 students and accounting for some 16% of NSW school enrolments.

In the last five years, enrolments in the NSW independent schools sector have grown by 8 per cent. This rate of enrolment growth has been a consistent trend in the sector for more than twenty years, with most of this growth attributable to a significant increase in the number of low fee independent schools.

Many independent schools are small with almost half enrolling fewer than 200 students, and approximately one-third enrolling fewer than 100 students.

Independent schools are a diverse group of non-government schools serving a wide range of communities throughout NSW. It is not well understood that two-thirds (68%) of independent schools in NSW have a socio-economic status score below 104.

Many independent schools provide a religious or values-based education. Others promote a particular educational philosophy or interpretation of mainstream education. Independent schools include:

- Schools affiliated with Christian denominations, such as Anglican, Catholic, Greek Orthodox, Lutheran, Presbyterian, Seventh-day Adventist and Uniting Church schools
- Non-denominational Christian schools
- Islamic schools
- Jewish schools
- Montessori schools
- Rudolf Steiner schools
- Schools constituted under specific Acts of Parliament, such as Grammar schools
- Community schools

- Schools that specialise in meeting the needs of students with disabilities and students at risk.

Independent schools are not-for-profit institutions founded by religious or other groups in the community and are registered with the regulatory authority, the NSW Education Standards Authority. Most independent schools are set up and governed independently on an individual school basis. However, some independent schools with common aims and educational philosophies are governed and administered as systems, for example those within the Anglican Schools Corporation and Seventh-day Adventist systems.

The socio-economic status score methodology

For more than a decade, socio-economic status (SES) has been a widely supported measure used in the determination of needs based funding to non-government schools. The current methodology used to calculate SES is transparent, fit-for purpose, and reliable. While there are a range of conceivable ways to measure a school community's capacity to contribute to their schools, the current SES methodology provides the best available measure.

The ISCA submission provides national level analysis of the most recent ABS census data. The analysis demonstrates that many of the criticisms directed towards the current measure of SES are unwarranted. Furthermore, what is true at the national level is also generally true at the state level for NSW. This submission seeks to emphasise that the current SES methodology is still the best method for consistently estimating capacity to contribute in New South Wales.

The analysis of ABS Census data for family income matched to school sector of children shows that there is more similarity within the NSW non-government school sectors (Catholic systems and Independent schools) than is often thought. Firstly, the percentage of low income families is slightly lower in the Catholic sector than the Independent schools sector. This puts to rest the argument that Catholic systemic schools enrol relatively more, disadvantaged students. In addition, according to the ABS Socio-Economic Indexes for Areas, Index of Relative Socioeconomic Advantage and Disadvantage (SEIFA) index, the Independent schools sector in disadvantaged areas in NSW enrolls a higher percentage of low income students than Catholic schools (29% compared to 22%). While the

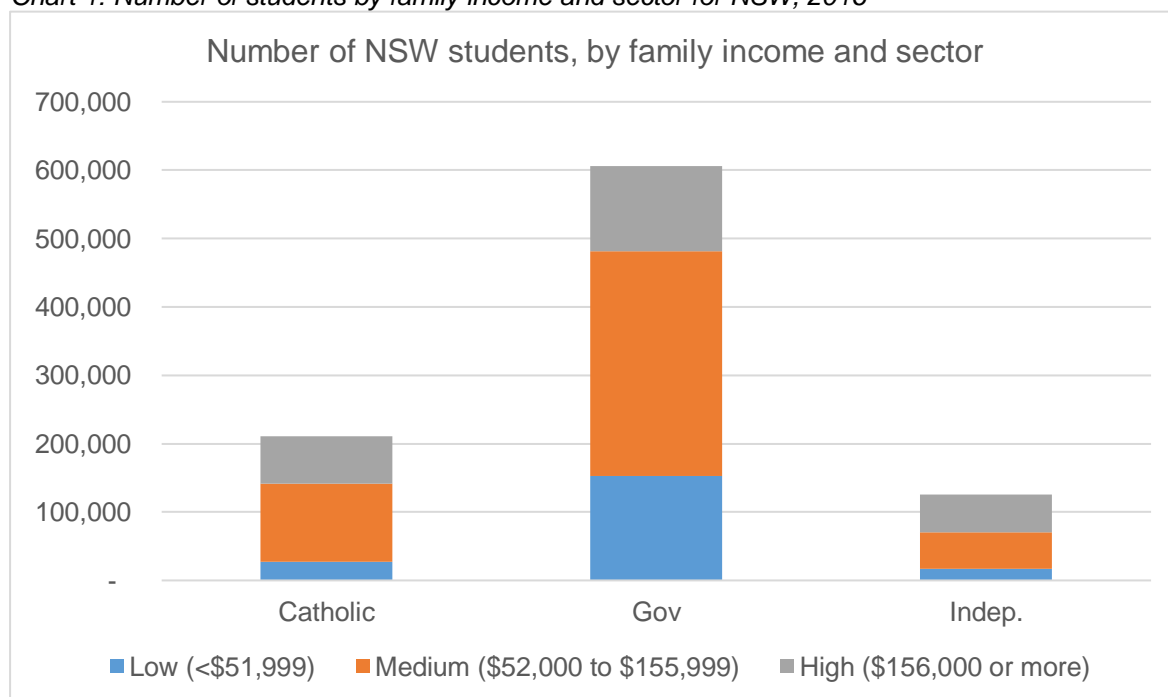
relative share of high income families (earning more than \$156k per annum) within the independent schools sector is higher than it is for Catholic schools, in absolute terms, the highest shares of high incomes families are in the government and Catholic sectors, respectively. Together, these findings counter the narrative that in NSW and elsewhere, Independent schools only serve the most advantaged.

Analysis of family income using 2016 ABS Census data

It is sometimes claimed or implied that there is a much greater representation of high income families (>\$156,000 per annum) in Independent schools than government and Catholic systemic schools.

These claims are unsupported in NSW and, as demonstrated in the ISCA submission, are also unsupported at the national level. According to the ABS census data, 2016, 50% of high income families choose government schools, 28% choose Catholic schools, and 22% choose Independent schools. Chart 1 below reports the number of students in the census data by income level and sector. The greatest difference between the Catholic and Independent school sectors is in the number of middle income students, while the government sector has greater enrolments in all three income categories.

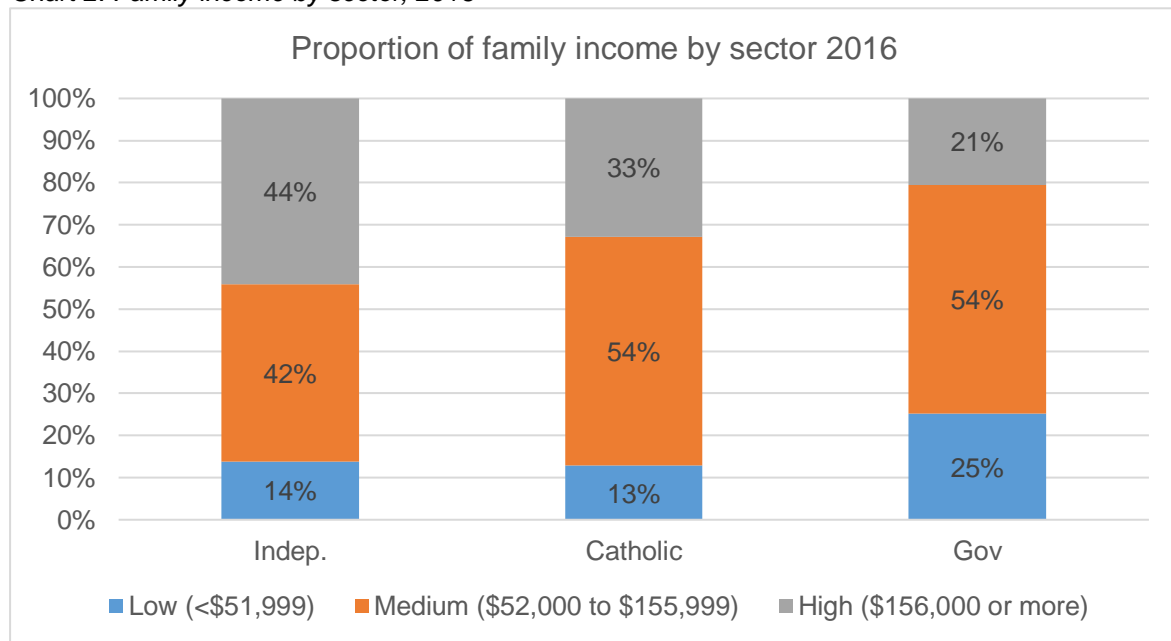
Chart 1: Number of students by family income and sector for NSW, 2016



Source: ABS Census of Population and Housing 2016.

It is also important to consider the relative shares of the income distribution represented within each school sector. Looking at only the relative shares in NSW, (as in Chart 2 below), it can be seen that both Independent and Catholic sectors have proportionally more high income families (44% and 33% respectively) than the government sector (21%), while the greatest share of low income families attend government schools. The independent schools sector has a slightly higher proportion of low income families than the Catholic sector.

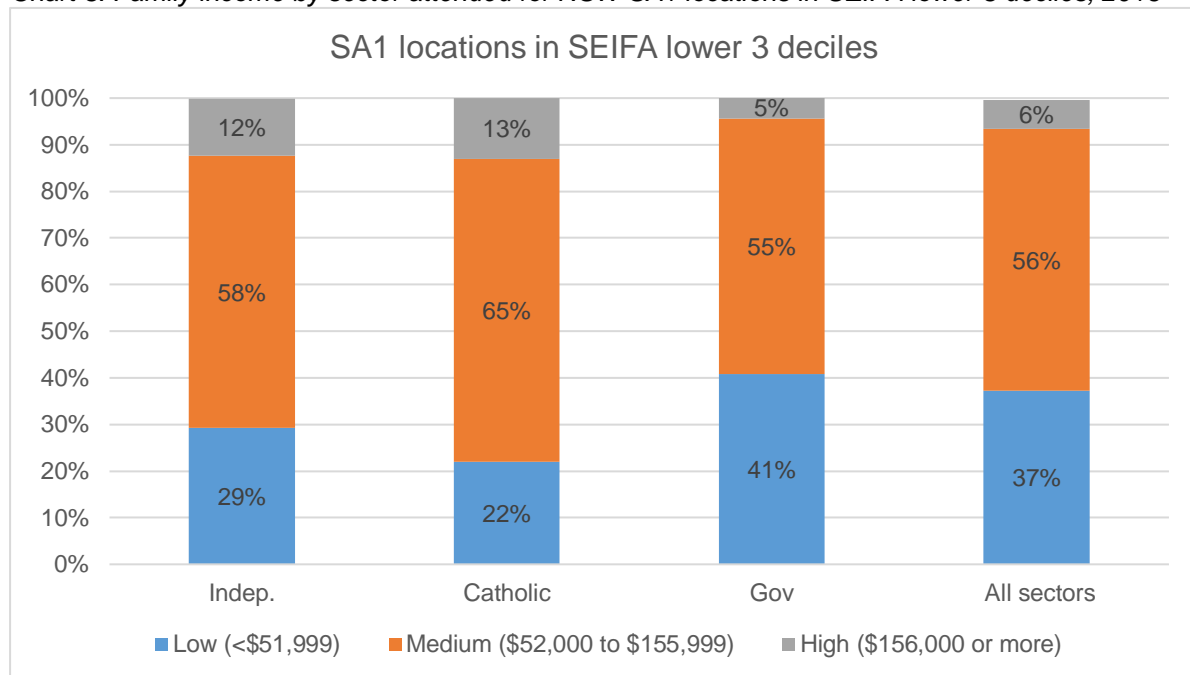
Chart 2: Family income by sector, 2016



Source: ABS Census of Population and Housing 2016

It has been claimed that within SA1s, it is disadvantaged parents who send their children to Catholic systemic schools and it is the more advantaged families in an SA1 who send their children to Independent schools. ISCA's analysis of SA1 data from the most recent Census of Population and Housing, correlated with SEIFA in Chart 3, shows that this is simply not the case in NSW. In the most disadvantaged SA1s in NSW, Independent schools enrol a higher proportion of students from low income families (29%) than the Catholic sector (22%). The proportion of high income earners in the Independent schools sector in these areas is lower than those in the Catholic sector.

Chart 3: Family income by sector attended for NSW SA1 locations in SEIFA lower 3 deciles, 2016

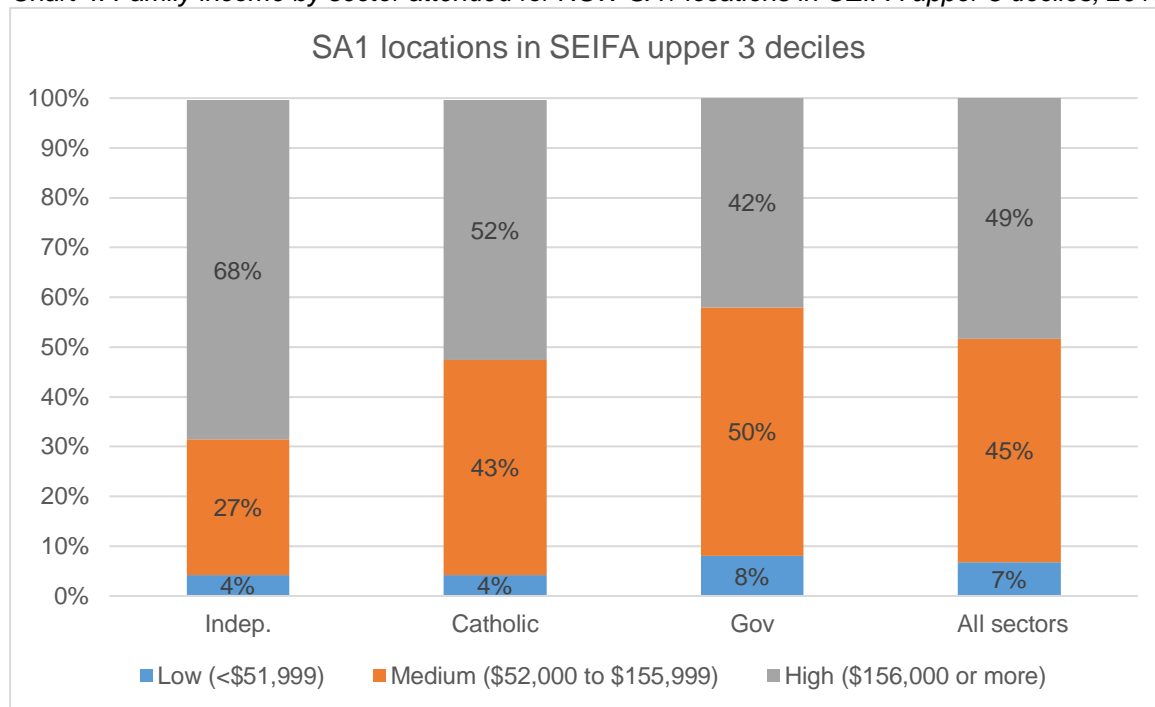


Source: ABS Census of Population and Housing 2016, SEIFA Index of Relative Socioeconomic Advantage and Disadvantage, 2011

Chart 4 reports the equivalent proportions for NSW SA1 areas that are the top 3 deciles according to the SEIFA index. In these areas, there is a higher representation of high income families in Independent schools than Catholic schools. However, the majority of families in Catholic schools in these areas are also high income, and a large percentage of government school students are from high income families (42%). Differences between areas are captured by differences in the income dimension scores for SA1. These findings counter the claim that Independent schools ‘cherry pick’ a large proportion of families from high income areas. Advantaged areas by definition, have a higher proportion of high income families, and these families are spread out over all three sectors.

Low income Catholic and Independent families make up the same proportion of enrolments (4%). In addition, only 8% of government enrolments in these areas are low income. This contrasts to the much higher percentage of low income enrolments in the Independent schools of low SEIFA areas (28%). Again these findings serve to show that income differences are adequately captured at the SA1 area level.

Chart 4: Family income by sector attended for NSW SA1 locations in SEIFA upper 3 deciles, 2016



Source: ABS Census of Population and Housing 2016, SEIFA Index of Relative Socio-economic Advantage and Disadvantage, 2011.

Conclusion

Any changes to the SES calculation methodology could introduce limitations and problems. As the analysis of NSW data in this submission shows, it is not possible to draw simplistic conclusions about differences across sectors in terms of relative advantage. While there are differences between sectors in NSW, there are much greater differences between SA1s. Of the students from low income areas attending independent schools, a high proportion are from families with low incomes—while in high income areas, there are high proportions of high income students in all sectors.

It is imperative that careful and robust analysis is conducted before consideration of any changes to the current methodology (even if minor) are given serious policy consideration. It would be grossly unfair to non-government schools in NSW if changes were implemented without the implications being fully understood. All things considered, AISNSW supports the evidence put forward in the ISCA submission that the current methodology of the SES model is fit for purpose. If needed, a revalidation of the current SES methodology settings could be undertaken to find out if the current measure could be refined to be even more accurate and robust for non-government schools.

