



Independent Schools
Council of Australia

Lt 112 File 301/7/4

24 November 2009

Not-for-Profit Sector
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Mr Fitzgerald

The Independent Schools Council of Australia (ISCA) would like to congratulate the Commission on the release of its Draft Research Report – Contribution of the Not-for-Profit (NFP) Sector.

ISCA acknowledges the significance of the Commission's evaluation of the contribution of the Not-for-Profit sector. To this end we would encourage the Commission to consider broadening the scope of its evaluation of funding arrangements for not-for-profit organisations. As noted on page 12.3, the study "does not look at funding arrangements for schools, universities or hospitals...". ISCA feels that this restriction in scope could reduce the impact of the final report, considering the diversity and importance of government services delivered by the NFP sector in these three areas.

While acknowledging the constraints placed on such research, ISCA maintains an obvious interest in an analysis of the effectiveness of the delivery of government services by our school sector. This study would be beneficial given that the federal government's general recurrent costs for non-government schools amount to approximately \$5.2 billion annually. Further, non-government schools educate over a third of Australian students.

ISCA is also interested in how the Draft Recommendation 11.1 applies in the context of school funding arrangements. According to the Report, "governments should fully fund those services and activities that they would otherwise provide directly." We would appreciate if this recommendation could be further developed in the Commission's final report in relation to non-government schools, considering that those educational services delivered by the independent sector are currently not fully funded. Educational services would have to be provided directly by government if the non-government education sector did not exist.

In expanding the Commission's considerations of the education sector mentioned above, ISCA would also be keen to have Draft Recommendation 12.1, that "governments should consider moving to client-directed service delivery models", further evaluated in the final report.

ISCA notes with interest Draft Recommendation 13.2, that suggests "the Australian Government should establish an Office for Not-for-Profit Sector Engagement within the Prime Minister's portfolio". We are concerned that this recommendation could potentially add to the existing

regulatory regime that currently applies to independent schools. Independent schools are subject to extensive educational and financial regulations at state and federal levels. Given that “reducing unnecessary compliance burdens” is a stated priority of the Draft Research Report, we are interested in the Commission’s views on how this proposed new Office could integrate and not add to existing regulations.

The Commission has also put forward a draft framework for measuring the contribution of the NFP sector. ISCA encourages the Commission to further develop this model as it expands the traditional NFP evaluation processes beyond a traditional economic or financial evaluation process.

Thank you for your consideration.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bill Daniels', with a long, sweeping underline.

Bill Daniels
Executive Director