

## Briefings

Thought leadership for the independent schooling sector

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### INDEPENDENT SCHOOLS ARE MORE ACCOUNTABLE THAN EVER

#### From the Executive Director

**Schools are required to report at least twice a year to parents on individual student progress, so perhaps it is not unreasonable that they must report to parents, Government and the community on overall school outcomes.**

There is now more publicly available information on schools than ever before, particularly in the case of independent schools. This means their level of accountability to parents, Governments and the wider community has increased significantly. Transparency in terms of school outcomes is now firmly embedded into the education system.

The increased accountability and transparency includes the publication of National Assessment Program on Literacy and Numeracy (NAPLAN) outcomes on the *My School* website.<sup>1</sup> The *My School* data also includes school finances, details of student cohorts, other student outcomes, attendance data and the much-contested

comparison of a school to “like schools” in terms of NAPLAN outcomes.

In addition, over the past decade, Governments have required schools to provide an Annual Report<sup>2</sup> on their website which includes a wide range of school information including student outcomes, staffing details and commentary on programs and parent satisfaction.

Year 12 outcomes<sup>3</sup> in Queensland are published annually with details about the number of students receiving certification (including OPs, the QCE and VET qualifications). The destinations of Year 12 students<sup>4</sup> are also publicly reported through the *Next Steps* report annually including whether they have moved onto tertiary or other further study.

For independent schools, the establishment of the Australian Charities and Not-for-Profit Commission (ACNC)<sup>5</sup> has added another layer of transparency with corporate documents now readily available to the public through the ACNC website.

This new level of transparency is hardly unexpected during a period when Governments at both the Commonwealth and State levels have variously championed “open data” over the years, in addition to extensive Freedom of Information and Right to Information provisions across Government agencies.

In a Queensland context, the driver of increased transparency was the then Minister for Education (and later Premier), Anna Bligh with the Education and Training Reforms for the Future initiative in 2006. At the national level, the then Federal Minister for Education, Julia Gillard (and later Prime Minister) established the *My School* facility.

These political leaders justified their transparency agendas on the premise that it would drive improved outcomes both at the school and student level.

Given the almost universally accepted premise that student outcomes in Australia has flatlined in terms of improvement over the past decade, it is understandable that some of transparency measures are coming under increasing pressure from the education profession in terms of their objectives and value. NAPLAN is being increasingly questioned. The Queensland *Year 12 Outcomes* report is also the subject of some criticism.

However, a strong case can be made that for Queensland, increased transparency has been a factor in the significant improvement in student outcomes over the past decade as evidenced by, for example, NAPLAN results.

Recent reports have seen various groups calling for a substantial review of NAPLAN. Some groups want it scrapped altogether.

1 The 2017 NAPLAN outcomes for each school were published on 6 March 2018 – see [www.myschool.edu.au](http://www.myschool.edu.au)

2 See <http://education.qld.gov.au/schools/reporting> for details of the required school Annual Report

3 Published by the Queensland Curriculum and Assessment Authority (QCAA) annually – see <https://www.qcaa.qld.edu.au/publications/statistics> for the latest Year 12 Outcomes Report

4 Published by the Queensland Department of Education annually – see <http://education.qld.gov.au/nextstep/nextstep.html>. Schools are required to include their individual *Next Steps* data in their publicly available Annual Report

5 See [www.acnc.gov.au](http://www.acnc.gov.au) for details of the ACNC

## INDEPENDENT SCHOOLS ARE MORE ACCOUNTABLE THAN EVER

Much of the criticism appears to come from the inevitable publication of “league tables” by the media on school outcomes and the impact that such tables and rankings can have on schools.

Whilst it is acknowledged that the production of rankings and league tables may have resulted in some less than desirable practices in schools (teaching to the test, streaming of weaker students and absenteeism for NAPLAN), it would be difficult to argue that these should be a catalyst for a reduction in transparency and accountability applying to student outcomes.

An important aspect of school transparency and accountability is the need for Governments to be assured their increasing expenditure on schooling is being used appropriately and is achieving outcome levels that are in line with national and state expectations. Governments collectively spend nearly \$60 billion annually on schools; it is not unreasonable on behalf of taxpayers, that they should have data to indicate the effectiveness of such expenditure.

The Productivity Commission’s annual *Report of Government Services*<sup>6</sup> has become the benchmark for this accountability process in terms of government expenditure.

Historically, the schooling sectors were slow to react to the needs of central agencies (First Ministers and Treasuries) for consistent data on student outcomes and they have failed

to develop an alternative mechanism which provides the information which allows Governments to evaluate the effectiveness of the taxpayers spend on schooling.

There is recognition that schooling outcomes for children are more than test results – leadership, creativity, problem solving ability, “21st century skills” and well-rounded citizens that contribute to community are just a few that are cited regularly.

Yet the schooling sectors don’t have a consistent method to “measure” such outcomes. Perhaps it is not possible to objectively and statistically undertake such measurement, but in the absence of data to confirm continuing high levels of outcomes from schools in these areas, it is difficult to argue that other transparency and accountability measures should be reduced or abandoned.

It also cannot be ignored that some accountability measures are principally about individual students. NAPLAN is the best example of this, with its value as a diagnostic tool for student learning not to be ignored. Almost every independent school in Queensland utilises the ISQ DataPAK to analyse individual student outcomes in NAPLAN to identify and address student needs, strengths and weaknesses.

For non-government schools which are strongly based upon parental choice, there is a further strong argument for transparency. Choice is made in a market context and no doubt choice

is most effective and enhanced when there is ample information about the choices available.

ISQ research indicates that parents over the years have become much more discerning when it comes to the choices available. They have embraced the availability of information about schools, whether it be through *My School*, individual school websites or school open days.

For independent schools operating in a market where choice is a key factor, transparency and accountability measures such as NAPLAN are important drivers of school improvement. They provide school Boards with the platform to ask important questions like are we achieving the best possible outcomes for students, is our teaching and learning of the highest possible quality and are we meeting the individual needs of students.

However, NAPLAN is just one tool of measurement and should be used as a positive contribution to excellent teaching and learning. Year 12 outcomes should be viewed in the same way.

Some of the fears about transparency and accountability measures may be overcome in the future as more emphasis is placed on the value added by schools rather than absolute test results. The Australian Curriculum and Assessment Authority is focusing more than ever on this type of reporting with it being a central feature of the *My School* website.

Reporting value added considers factors such as the socio-economic background of students, their starting point in terms of schooling and what could have been expected in their improvement over time.

Schools that achieve higher student outcomes than what might be expected for their students will

<sup>6</sup> See [www.pc.gov.au](http://www.pc.gov.au) for details

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appropriately be hailed as the new achievers in the future.

However, recognition should be given to education having a role in scholastic pursuit as well as preparing each student for the future. In both cases, students need to be well versed in the basics of literacy and numeracy which are the foundation for other pursuits including collaboration, creativity, global citizenship and participation in a just and fair society.

Any move to reduce the level of transparency about student outcomes would be a negative for education and not in the interests of schools, students or the community. The value of NAPLAN should be reaffirmed as an important, but not the only, measure to evaluate

the performance of our schooling system and student achievements. This can be achieved by focusing on its role in identifying and addressing student needs and providing the compelling case as to why Governments should continue their increased investment in schools.



**DAVID ROBERTSON**  
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## THE FUSS ABOUT NEEDS-BASED SCHOOL FUNDING



**SHARI ARMISTEAD**  
*Director (Strategic Relations)*

*Every student in Australia should have the opportunities they need to be the best they can be... Students with greater needs will attract higher levels of funding from the Commonwealth.*

### **Australian Government's Quality Schools package**

**Money for schools should be a vote-winner because everyone wants their children to reach their full potential. So, what is all the fuss about 'needs-based' funding and why is it such a political hot potato?**

Needs-based school funding is a costly business with political special deals distorting calculations and adding to the complexity. Which may explain why it is so divisive with opposing views vehemently argued and often reduced to a disappointing public versus private discourse. The Australian's Contributing Economics Editor Judith Sloan came to the conclusion that "[t]he implicit argument is that everyone must surely believe in needs-based funding" however, no one "bothers to define what, precisely, is meant by the term" (Sloane, 2017, para. 5).

Heated debate about the Australian Government's needs-based funding for schools has been reinvigorated by two reviews: *Review to Achieve Educational Excellence in Australian Schools*, chaired by David Gonski AC, tasked to examine evidence and make recommendations on how school funding should be used to improve school performance and student outcomes; and National School Resources Board (NSRB) *Review of the Socio-economic Status (SES) Score Methodology*, a measure which is used to calculate non-government school communities' capacity to contribute to schooling costs.

Independent Schools Queensland (ISQ) and Independent Schools Council of Australia (ISCA) have made submissions to both reviews. Submissions to the SES Score review closed at the end of February with the NSRB due to report back to the Government mid-year. The Gonski-led panel is due to report to the Government at the end of this month. Therefore, it is timely to take a closer look at why and how "need" is identified by the Australian Government for the purpose of school funding, and most importantly, whether it makes a difference to educational outcomes.

### **Why fund according to need**

Since 1963, under Coalition Prime Minister Robert Menzies, State Grants from the Commonwealth Government went to non-government schools for specific projects such as science facilities. Regular Government funding for non-government schools first started in the 1970s under Australian Labor Party (ALP) Prime Minister Gough Whitlam and he is often cited as the first to use the term 'need' in relation to school funding.

"We have almost doubled Commonwealth expenditure on education; we have established a permanent Schools Commission to give aid to all schools, without distinction, on a 'needs' basis" (Whitlam, as cited in Cahill & Gray, 2010, p. 125).

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Successive governments (State and Commonwealth) have been using the term ever since and have steadily been increasing needs-based funding. Wilkinson sums up the situation well: “There is now general acceptance of public funding for non-government schools on a ‘needs’ basis across the political spectrum and more generally within the Australian community. Consequently, the debate is largely about what constitutes need, how it is measured, and what quantum of funding should be delivered. Determining need and the quantum of support was the focus of much of the debate during late twentieth and early twenty-first centuries” (Wilkinson, 2013, para. 11).

Needs-based implies a sense of fair play and an equitable approach to public funding of school education. National and international documents including from both the UN and OECD “all uphold an egalitarian tradition, where schools provide a framework of universal opportunity, within which students from every social group achieve their personal best” (McMorrow & Connors, 2012, p. 6).

The OECD’s comparative research undertaken with nine OECD countries led to a recommendation for funding strategies to be responsive to students’ and schools’ needs (refer Figure 1).

## How need is funded

The 2011 *Review of Funding for Schools* chaired by businessman David Gonski AC (appointed in 2010 by Julia Gillard as Education Minister in the ALP Government) recommended a needs-based funding model and significant Commonwealth funding increases. In April 2013 Prime Minister Julia Gillard announced there would be an extra \$14.5 billion in schools funding over six years. Education was a hot issue at the election later that year with Opposition Leader Tony Abbott saying when it came to schools, the Liberal National Coalition and the ALP were on a “unity ticket”. However, when the Coalition came to power in September 2013 it would only commit to a four-year funding package unlike the ALP

FIGURE 1

### OECD RECOMMENDATION 4

Make funding strategies responsive to students’ and schools’ needs. Available resources and the way they are spent influence students’ learning opportunities. To ensure equity and quality across education systems, funding strategies should: guarantee access to quality early childhood education and care (ECEC), especially for disadvantaged families; use funding strategies, such as weighted funding formula, that take into consideration that the instructional costs of disadvantaged students may be higher. In addition it is important to balance decentralisation/local autonomy with resource accountability to ensure support to the most disadvantaged students and schools (OECD, 2012).

FIGURE 2

### SRS LOADINGS FOR DISADVANTAGE



Student Need

Students with Disability  
Aboriginal and Torres Strait Islander students  
Students with Low English Language Proficiency  
Students with a Socio-educational Disadvantage



School Need

School Size  
School Location

six-year commitment. Controversially, the ALP continues to claim billions in Coalition “cuts” as the original six-year plan had the bulk of the funds attached to the final two years.

### Commonwealth and State Funding Share

On 23 June 2017, amendments to the *Australian Education Act 2013* successfully passed through the Federal Parliament to give effect to the Malcolm Turnbull led Australian Government *Quality Schools* package. From this year (2018) Commonwealth funding will continue to be based on the Schooling Resource Standard (SRS) that provides a base amount per student and additional funding for six ‘loadings’ for disadvantage (refer Figure 2). However, there are major changes to how this is implemented.

The Coalition Government points out in its *Quality Schools* fact sheet

that this is the same method (base SRS + loadings for disadvantage) as recommended by David Gonski’s 2011 *Review of Funding for Schooling*. However, under the *Quality Schools* package, colloquially known as Gonski 2.0, over the next ten years all schools will move to being funded at consistent Commonwealth shares of the SRS: the Commonwealth Government will increase its contribution to the SRS for non-government schools up from an average of 76 percent to 80 percent, and its contribution to government schools, up from an average of 17 percent to 20 percent (Australian Government Department of Education and Training, 2018).

This so-called 80/20 rule has been heavily criticised by the Opposition, unions and state school campaigners. An important point, and one that is often overlooked in the dissenting debate, is that the Commonwealth



## THE FUSS ABOUT NEEDS-BASED SCHOOL FUNDING CONTINUED

Government is the majority public funder of non-government schools while the state and territory governments are the majority public funder of state schools. Conversely, this means the Commonwealth is the minority funder of state schools and the state and territory governments are the minority funder of non-government schools. Therefore, to take Commonwealth funding in isolation in the public versus private school funding debate is selectively using half the facts.

### Capacity to Contribute

Further complicating the matter is the SES Score (currently being reviewed) which is used to determine a non-government schools' base funding. The measure does not apply to state schools and there is a system weighted average for non-government systemic schools. Therefore, the SES Score in its pure form only applies to independent schools by discounting their base Schooling Resource Standard according to what the SES Score deems the school community can afford to pay. This confuses the needs-based funding debate as the SES Score is about a school community's 'capacity to contribute' to schooling costs, it is not a needs-based measure. There is also little recognition that a school can have a higher SES Score and higher needs. Despite its limitations, it is the best measure available. In its submission to the SES Score review ISQ strongly supported the continuation of the current methodology.

"The Gonski 2.0 funding arrangements were legislated based on the accepted SES measure; to change that measure would compromise the current funding arrangements which are considered fair and equitable. Certainty in funding is paramount

to independent schools. ISQ would expect that any changes to enhance the SES methodology would not be implemented quickly – to give schools certainty and time for the necessary research, validation and piloting." (Independent Schools Queensland, 2018, p. 2).

Changes to funding mechanisms usually take a long time, and in the process create major uncertainty leading to divisive public commentary. ISCA's submission picks up on this point and also raises concerns about arguments to include other factors into the methodology such as school fees as "the SES is used to determine parents and communities' capacity to contribute to the costs of education, not schools' willingness to charge fees" (Independent Schools Council of Australia, 2018, p. 3).

ISCA asserts that criticism surrounding current SES methodology is the "result of either flawed analysis or the product of misconceptions around the nature of the Independent sector. The Independent sector is comprised of an extremely diverse range of schools serving the full spectrum of communities and does not only serve a particular segment of the Australian population. In fact, the largest group of Independent schools is in the medium SES category. The Independent sector also has a very high number of schools serving some of the most disadvantaged students in Australia" (Independent Schools Council of Australia, 2018, p. 3).

## Educational Outcomes and Need

The core question is: does throwing more Government money at schools really improve student performance?

Under the *Quality Schools* package, the Coalition is trying to ensure its funding delivers results by tying the dollars to evidence-based reforms that the Gonski led review recommends it should invest in (Australian Government Department of Education and Training, 2018).

ISQ's submission to the *Review to Achieve Educational Excellence in Australian Schools* stated needs-based funding is vital in implementing school improvement to achieve educational excellence. "Improvements in student outcomes should be driven by continuing reforms in the areas of teacher quality, early learning, personalised learning, internationalisation and building 21st century skills and technological capability in students. Support should be given to schools to implement evidence-driven school improvement processes" (Independent Schools Queensland, 2017, p. 1).

ISCA's submission made similar recommendations: "Investment that supports teacher and principal capability, fosters a quality curriculum, sets ambitious standards and leaves schools free to adapt their program and priorities to respond professionally to the needs of their school community, within a framework of high level accountabilities, is most likely to lead to better performance system-wide" (Independent Schools Council of Australia, 2017, p. 3).

Sloane answers the core question in the negative: "Studies demonstrate that the socioeconomic status of the family accounts for only a small fraction, about 15 per cent, of

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variations in student achievement. We also know the 14 per cent per student real increase in school funding in the past decade has been associated with a noticeable decline in student performance as measured by multiple tests" (Sloane, 2017, para. 20).

McMorrow and Connors (2012) state that arguments about school funding were often treated as if the funding mechanism is an end in itself rather than the educational purposes it is designed to serve.

## Conclusion

Needs-based school funding is built on the premise that each student should be financially supported to realise their full potential. Some students need more intensive support (with staff required to make educational adjustments) this is the reason these students attract more funding through loadings added to the base SRS level.

Governments on both sides of the political divide have supported parents fundamental right to choose the school to which they send their child. Plus, all students have a human right to be supported with their education which is why public funds, calculated on a needs basis, have been provided to the non-government sector for decades.

Issues in needs-based funding arise primarily due to politics. Good public policy dictates a fair system for all, with every student's needs treated equally regardless of which school they attend. Campaign commitments and political expediency have repeatedly led politicians to promise that "no school will be worse off" which has meant special deals and policy distortions perpetuate.

While the 2011 Gonski review appeared to be a genuine attempt to fund all schools equitably, some 27 deals were made by the ALP to pass the legislation required for its package. The Coalition's *Quality Schools* package has gone further towards the equity ideal in the needs-based school funding goal, picking up on Gonski's original intent. While there are less deals under the Coalition's

package, some nine deals still exist and the public versus private discourse and sectorial arguments are louder than ever. In summary, needs-based funding is not new, it is simply that it has never been fully implemented in its pure form.

And what of the main purpose in providing government funding for schools: does throwing more money at schools make a difference to educational outcomes? The report from the current *Review to Achieve Educational Excellence in Australian Schools*, chaired by David Gonski, will attempt to answer this. If the end-result is for all students, regardless of disadvantage or school, to be supported to reach their full potential – surely it is time for all parties to come together to ensure better educational outcomes for individual students and Australia as a whole. The \$19.4 billion question is; will the Government have the fortitude to listen and act, and will the Opposition find the bi-partisanship to support it?

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