

Briefings

Thought leadership for the independent schooling sector

Volume 24 Issue 2 • April 2020

THE DIRECT MEASURE OF INCOME PRESENTS ANOTHER CHALLENGE FOR MANY INDEPENDENT SCHOOLS

From the Executive Director

All schools in Queensland are facing significant challenges as a result of the COVID – 19 pandemic.

For Queensland's 230 independent schools which educate nearly 129,000 students (15% of the total student population), it is no longer business as usual.

Independent Schools Queensland acknowledges and thanks the school leaders, teachers and other school staff who are working tirelessly to ensure that every student has continuing access to high-quality education programs whether it be by remote learning or in-school.

Schools are integral to strong communities and the cooperation of parents and caregivers is also acknowledged in the difficult and changing environment.

There is another significant future challenge for many independent schools. This is the replacement of the Socio-Economic Status (SES) measure in the Australian Government funding model by the Direct Measure of

Income (DMI)¹. The DMI will be used to determine the Capacity to Contribute (CTC) of parents to contribute to the costs of their children's schooling.

There are concerns for the future of some of Queensland's key regional schools. This group of schools will be heavily impacted by the introduction of the DMI. Twenty-two regional independent schools in Queensland which will see an increase in their DMI score compared to SES will have an overall reduction in their Commonwealth funding of \$173 million over the next ten years.

Government funding models should be designed to give maximum support for regional schools. These schools already face considerable challenges such as attracting and retaining staff and the significant losses of funding resulting from the DMI will be a further complication.

Many independent schools which achieve exemplary student outcomes will also be impacted by the DMI. Some of these schools already receive low levels of Government funding. It is remarkable that the Government would preside over reductions in funding for these high performing schools at

a time when Australia's educational outcomes are declining, and with the knowledge they already save taxpayers millions of dollars is curious.

The legislation² providing for the DMI passed Federal Parliament on Monday 23 March 2020³ with the Senate Education and Employment Legislation Committee recommending its passage without amendment following an unusually brief inquiry. It was disappointing the Committee did not hold any public hearings as part of its consideration of the legislation⁴.

Whereas SES was an area-based measure⁵, the DMI measures the actual income of parents of students at a school through linking parent names and addresses to Australian Taxation Office data⁶.

The median income of all parents at a school is converted into a DMI score by comparing the median family income of a school against the median family income of other schools. The data are standardised to a mean of 103 and a standard deviation of 13, weighted by enrolments⁷.

Averaging a school's DMI score over a rolling period of three years decides the level of Commonwealth funding for a school by determining the percentage of the School Resources Standard which will be received by the school in respect of its students.

1 For ISQ's latest video briefing on the DMI go to <https://www.isq.qld.edu.au/members/strategic-briefings>.

2 The *Australian Education Amendment (Direct Measure of Income) Act 2020*.

3 The received Act Royal Assent on 26 March 2020.

4 The Committee's report is available at https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/EducationIncomeBill/Report.

5 SES measured the socio-economic circumstances of the area from which a school's students were drawn. It included income, education attainment and occupational status.

6 The DMI is calculated on the Adjusted Taxable Income of parents.

7 Fact sheets on the DMI can be accessed at www.education.gov.au/what-methodology-direct-measure-income-dmi.

THE DIRECT MEASURE OF INCOME PRESENTS ANOTHER CHALLENGE FOR MANY INDEPENDENT SCHOOLS

Table 1: Impact of the DMI on Queensland Independent Schools

	SCHOOLS NUMBER	SCHOOLS %	STUDENTS NUMBER	STUDENTS %	PROJECTED FUNDING CHANGE 2020-2029
Schools with reduced funding	76	42%	68,684	58%	-\$402,667,650
Schools with increased funding (or unchanged)	104	58%	50,434	42%	\$273,020,632
All schools*	180	100%	119,119	100%	-\$129,647,018

*Excludes CTC exempt schools

The impact of the change to DMI on Queensland independent schools is illustrated in Table 1⁸.

Independent Schools Council of Australia (ISCA) estimates that the introduction of the DMI methodology will result in a reduction in funding to Independent schools across Australia of \$212 million between 2020 and 2029 compared to the funding the sector would have received under the SES methodology⁹.

The financial outcomes for the independent sector is of serious concern, given the Australian Government committed \$3.4 billion in additional funding for non-government schools under the new funding model.

It is leading to a high degree of uncertainty for many independent schools.

Parents also face uncertainty. They make decisions about the right school for their child based on fee levels and their capacity to meet costs. For many parents who have decided to enrol their child in an independent school, there is the prospect they will face fee

increases not previously considered. These will result from a change in Government policy and more protection should be given to schools to avoid fee increases beyond normal expectations.

In theory, linking Government funding to the actual income of parents is good public policy. However, there are significant issues in applying such an approach where the Government is setting an institutional funding rate for a school.

Under the DMI, all parents at a school receive the same level of Government funding for their child, no matter their income.

It is already apparent that the use of median income does not adequately reflect the distribution of incomes in the parent body of many independent schools. Further, the use of median income is potentially flawed, as by definition 50% of parents with children enrolled at a school will be below the median.

As Government funding received by a school has a substantial influence on the level of school fees, 50% of parents

(those below the median income) are likely to struggle to meet those fees.

Research by Independent Schools Queensland (ISQ) indicates that many independent schools and particularly those in regional areas have a bimodal distribution of parental incomes. Their spread of parental incomes around the median is not a “normal distribution”.

A real danger under the DMI methodology is that schools with a bimodal distribution will be required to increase their fees with a resultant reduction in the number of families below their median income being able to continue at the school. This would ultimately drive their median income to an even higher level.

ISQ has called for an urgent review of the DMI methodology including the consideration of statistical measures other than the median for determining a school's score. The review needs to include a rigorous trialling and validation process before DMI is fully implemented.

The validation of the DMI process to date has not been adequate. The DMI has been developed and adopted in a short period of time characterised by a lack of available data¹⁰.

A proper and fulsome DMI validation process would have clearly identified the unacceptable impact on regional schools which would have allowed consideration of alternative measures for these schools to account for their range and spread of parental incomes.

Various other matters which throw doubt on the validity of the DMI methodology should also be properly examined. These include the impact of the DMI on Prep – Year 12 schools compared to stand-alone primary or secondary schools and linkage rates between parental name and addresses to taxation data¹¹.

In response to concerns raised by stakeholders, the Federal Government has announced several measures to examine the introduction of the DMI (see Figure 1). The Federal Minister for

8 ISQ submission to the Senate Education and Employment Legislation Committee available at https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/EducationIncomeBill/Submissions

9 ISCA submission to the Senate Education and Employment Legislation Committee available at www.isca.edu.au

10 This compares to the development, trialling and validation processes for the SES when introduced in 2011, which was over a four-year period.

11 For Queensland independent schools, linkage rates vary from a high of 97% to a low of 67%.

12 The Choice and Affordability Fund has been established by the Federal Government to assist schools with transition to the DMI funding model and for short term emergency assistance. For the independent sector nationally, \$463 million in funding will be available through the Fund for the period 2020 to 2029.

Figure 1 – Measures Announced by the Federal Minister for Education

The Federal Minister for Education, the Hon Dan Tehan MP, has also determined that one-third of the Choice and Affordability Fund will be quarantined to support transition to the DMI for regional schools.

Recent Announcements

In February 2020 Minister Tehan announced that:

- A review process will be established in consultation with key stakeholders by July 2020 to address unexpected or unique circumstances affecting the financial capacity of a school's community.
- The National School Resourcing Board will examine the Schooling Resourcing Standard (SRS) loadings as they impact students and schools in regional Australia. The review will commence by June 2020.
- Further work will be undertaken in consultation with the ABS and the sector to investigate what additional data could be used to refine further how the capacity to contribute is calculated.

Education, the Hon Dan Tehan MP, has also determined that one-third of the Choice and Affordability Fund¹² will be quarantined to support the transition to the DMI for regional schools.

ISQ has welcomed these announcements. Time will tell as to whether they are enough to rectify some of the obvious flaws in the DMI methodology. The Government should delay the full implementation of the DMI (scheduled for 2022) while these processes are being undertaken, along with extending the transition period for those schools which will have reductions in funding under the new model. The current COVID – 19 pandemic will provide enough challenges for schools in the next few years; non-government schooling can ill afford a further period of uncertainty because of changes to the funding model.

In the long term, the move to DMI has the potential to bring the funding model closer to an individual parent rather than

school basis. If actual parent income is the new measure of CTC, it would make public policy sense to fund parents directly for schooling. Some might call this a true voucher model where parents are “means-tested” in terms of Government support for education. It could even apply to all parents, not just those who exercise their right to choose a non-government school.

Given the economic consequences of COVID – 19, Australia will face difficult questions in relation to Government expenditure for decades as our increasing levels of debt place enormous pressures on the shrinking taxpayer population base. A robust funding model for schooling which requires all parents to contribute to the costs of schooling could be one consideration into the future.

In the meantime, ISQ will continue to work with the Federal Government to ensure the introduction of the DMI does not disrupt a highly successful

independent sector in Queensland. ISQ will also continue to advocate for fair, accurate, certain and transparent funding arrangements for independent schools to ensure an independent education remains affordable and in reach of Queensland families and their children.



DAVID ROBERTSON
Executive Director
Independent Schools Queensland

GOOD PEOPLE ARE GREAT PROFESSIONAL DEVELOPMENT



JOSEPHINE WISE
Director (Education Services)

This research briefing was written before the outbreak of COVID-19 in Australia. The content, while not specifically relating to delivering teacher professional development online, can be transferred to this new context. School leaders are encouraged to enable teachers to lead the rapid transformation from face-to-face to online teaching and learning. Teachers will be best placed to build the confidence of, and problem-solve with their colleagues. They will still need a school leader's guidance to remain focused on the school's strategy and manage the professional anxieties of their workmates in a time of rapid change.

Teachers who report participating in impactful training tend to display higher levels of self-efficacy and job satisfaction.

The pursuit of high impact, meaningful professional learning continues to be an issue of great interest for teachers and school leaders. Globally, there has been a renewed emphasis on this issue as countries continue to invest heavily in the learning and growth of their staff, only to find that a disconnect remains between that investment and impact on practice.

The question for school leaders is what kind of professional learning converts into confident teachers who deliver innovative and impactful pedagogy. The latest research tells us that on-the-job learning has lasting impact, but what should this look like to achieve greater self-efficacy and increased esteem as part of a teacher's professional identity?

This briefing considers leading research and theory in professional development that emphasises the value and impact of using effective staff as a source of great professional learning and development to achieve improved instruction and an empowered workforce.

The OECD's Teaching and Learning International Survey (TALIS)

The Teaching and Learning International Survey (TALIS) (OECD, 2019) is an international measure of teachers and school leaders conducted by the Organisation for Economic Co-operation and Development (OECD).

It is designed to highlight trends/patterns in educator preference and behaviour in the preceding period and provide a basis for policy-making and strategy for education systems across the globe. The survey aims to support the profession in the pursuit of the best conditions for teaching and learning, for teachers and school leaders to inform improved practice. It builds on previous and complementary research from the OECD including previous iterations of the TALIS survey (every five years since 2008).

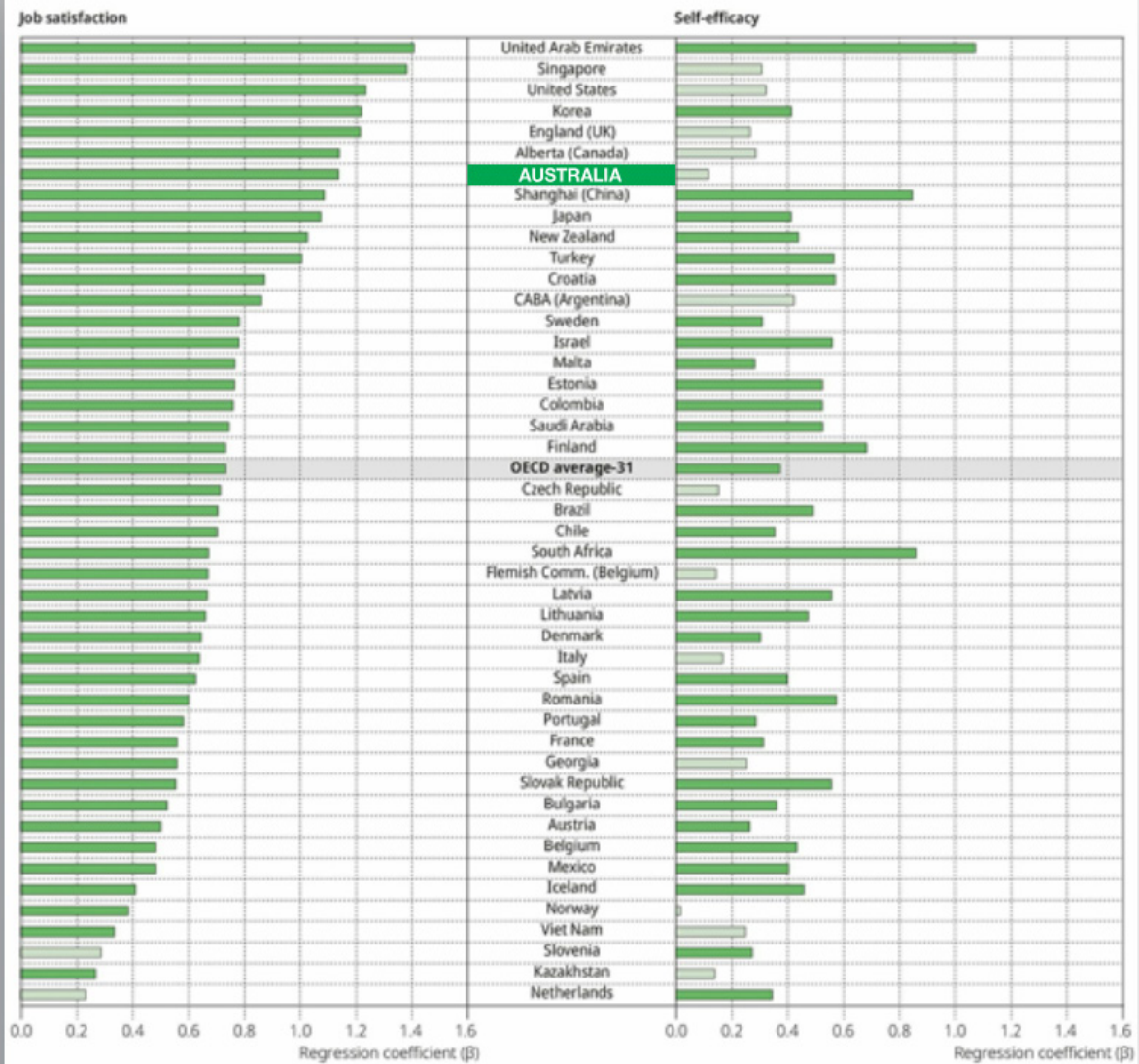
TALIS has typically had a lower secondary emphasis but has broadened in recent iterations to include input from primary and upper secondary (15 countries included primary responses, 11 upper-secondary).

The 2018 survey included 48 countries, 200 schools per country, 20 teachers and one school leader in each school (>200,000 potential respondents). The most recent report, based on 2018 survey data, provides some interesting context for understanding recent international trends in professional learning:

- "...teachers spend only 78% of their classroom time on actual teaching and learning..."
- Most common resource challenges reported: 1) support personnel; 2) teachers with competence in teaching students with special needs; and 3) time for instructional leadership (each reported by about one-third of principals).
- "...only 54% of school leaders have completed a programme or course in school administration or principal training..."

Figure 1: Relationship between teachers' job satisfaction and self-efficacy and participation in impactful professional development

Source: OECD, 2019 – Tables I.5.13 and I.5.14



- “More than 80% of teachers report that their training had a positive impact on their teaching practices.”
- “Teachers who report participating in impactful training tend to display higher levels of self-efficacy and job satisfaction.”
- Most prevalent professional development content demand globally: ICT education; multicultural/multilingual education; and, special-needs education.

The data shown in Figure 1 paints an interesting picture for the Australian context. Specifically, it shows, in comparison to other nations, that there

is a disconnect in the global trend in Australia where job satisfaction is impacted by professional learning but not self-efficacy.

Australian teachers report that they feel supported in undertaking professional learning and that this investment leads them to feel satisfied in their work. Unlike the rest of the world, this is not building a sense of self-efficacy.

Self-efficacy is the belief that a person holds in their own ability to be successful in a context or task. Therefore, if Australian teachers are receiving globally significant amounts of professional learning, and report high levels of job satisfaction, why

hasn't this professional learning translated into high levels of professional efficacy, or belief that they can achieve within their professional context?

Noting the latest findings from TALIS, it's important to consider the research; it is clear that high impact professional learning is best done in teams, supported by leadership and aligned to practice and improvement planning. The question then is – are schools investing in the right professional learning to enable and empower teachers to lead impactful pedagogical practice?

GOOD PEOPLE ARE GREAT PROFESSIONAL DEVELOPMENT CONTINUED

People Make 'Learning Organisations'

Since Peter Senge's seminal work that established the concept of the 'Learning Organisation' school leaders have sought to remove barriers and create enabling conditions to create schools committed to continuous improvement, evident at all levels, in the lived values and actions of its people.

Senge's model outlined the core elements of the learning organisation as:

- **Personal mastery** – the pursuit of self-improvement
- **Mental models** – ingrained views about the world and course for action
- **Building shared vision** – genuine collaboration to establish genuine commitment
- **Team learning** – thinking and growing as a shared experience (beyond the individual)
- **Systems thinking** – the 'Fifth Discipline', an integration of the other four elements

The term learning organisation has become common in schools whose core business is learning. School leaders are seeking to create schools that operate as "...organisations where people continually expand their capacity to create the results they desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together" (Senge, 1990, p. 3).

However, the complexity of schooling means that this aspiration is not always achieved for teaching staff. A significant barrier to schools becoming learning organisations is the limited time made available for purposeful collaboration focused on improvement. "Most adults change their practices not simply from reading and observing others work, but from combining these passive activities with active collaboration and learning-by-doing" (Jensen et al., 2016, p. 7).

Also central to Senge's (1990) theory is the idea of buy-in at all levels within an organisation; buy-in showing that all staff display a commitment to self and organisational growth and improvement. The 'systems thinking' that characterises his model is predicated on the notion that the best learning comes from rich, diverse, shared and continued experiences, achieved when the organisational learning is primarily located within the organisation.

"When you ask people about what it is like being part of a great team, what is most striking is the meaningfulness of the experience. People talk about being part of something larger than themselves, of being connected, of being generative. It becomes quite clear that, for many, their experiences as part of truly great teams stand out as singular periods of life lived to the fullest. Some spend the rest of their lives looking for ways to recapture that spirit" (Senge, 1990, p. 13).

Fundamentally, the inference is that learning is best done in the context of a team, where the learning outcome is a shared pursuit and the agents for change lie within the learning

cohort. More typically, what we have come to describe, some 30-years later, as on-the-job learning. School leaders may ask themselves how is their teacher performance and development framework supporting their collaborative, team-based on-the-job learning for teachers and enhancing their sense of efficacy and engagement?

In Ben Jensen's 2016 analysis of four high-performing educational systems (Hong Kong, Shanghai, Singapore and British Columbia) school leaders play a critical role in ensuring those who lead on-the-job training are leading with the school's strategic teaching and learning agenda by training them "alongside school principals, so each school has multiple leaders to continually improve professional learning. In schools, they work closely with school principals and ensure that teachers' individual and collective professional learning is meeting school objectives" (Jensen et al., 2016, p. 7).

Unpacking Teacher Performance and Growth

School leaders and teachers are in a great position to learn from and leverage off contemporary best practice approaches internationally. To build meaningful on-the-job learning opportunities and set the culture of a learning organisation, there are some recent initiatives worth considering.

Globally, there's been a decided push toward a nuanced understanding of teacher impact and an interest in evaluation and accountability measures. This has also been the case in other high-performing systems. For example, a teacher in Singapore is promoted based on how well they engage in professional learning and how well they develop other teachers. Only teachers who effectively develop both themselves and others will rise to leadership positions in the system. (Jensen et al., 2016).

In the United States, recent reports surrounding the teach-evaluation system 'IMPACT', particularly in Washington DC schools, have highlighted positive outcomes from a more direct consideration of performance through the formal evaluation of teachers.

Under the IMPACT approach, teachers determined to be 'ineffective' (according to a range of data sets including student evaluations) can be dismissed, teachers who are 'minimally effective' or 'developing' can be dismissed if there's no improvement, and teachers who are 'highly effective' stand to realise financial incentives and recognition (Will, 2019).

Perhaps the most compelling story the research tells lies in the attrition rates of teachers resulting from the IMPACT approach. While the evaluation method often sees underperforming teachers leave the profession, the rate of attrition amongst those identified as 'high performing' is much lower, both against IMPACT colleagues and the profession more broadly. In 2017, of those high performers who left the profession "...only 3 per cent cited IMPACT as one of their top reasons" (Will, 2019). In other words, great teachers in this context want to be engaged in professional, objective activity that assists them understand and refine their influence on students.

In the Australian context, the Australian Professional Standards for Teachers (APST) provide a framework for understanding and discussing learning, development and performance.

Among many initiatives seeking to embed the APST into the work and lives of educators nationally, National Certification at the Highly Accomplished and Lead Teacher (HALT) career stages is particularly interesting. This process represents the first time that Australian educators have been able to make a claim for recognition of high performance in a nationally consistent and externally validated way.

TIPS FOR SCHOOL LEADERS

If you're seeking to enhance the outcomes of on-the-job learning, you might consider the following tips.

Using your top teachers and leaders to guide, design, deliver and coordinate in-house professional development.

Allow your best staff to drive data reviews in your school.

Give responsibility for new staff induction over to your leading teachers.

Formalise opportunities for your staff to act as mentors for others.

Create opportunities for your teachers to build connections across curriculum, pastoral specialisations, or phase of schooling.

Give leadership over curriculum and pedagogical planning over to your leading teachers.

Expose your staff to opportunities to represent the school externally, acting as representatives of and advocates for your school.

What is particularly heartening is the extent to which the IMPACT approach in the US and the Certification model in Australia are balancing the efforts of both a deeper understanding of teacher performance and an investment in the growth and development of teachers.

In 2019, Independent Schools Queensland (ISQ) partnered with Queensland University of Technology (QUT) to better understand the impact that Certification was having in member schools. Key among the findings was the extent to which teachers certified at the higher career stages (HALTs) were having in the school context.

"Highly Accomplished and Lead Teachers demonstrated high levels of teacher and leadership efficacy and engage in high levels of leadership practices. HALT teacher leaders are reflective and self-aware and play an important pedagogic leadership role" (Independent Schools Queensland [ISQ], 2019, p. 3).

The research also found that HALTs evidenced improved outcomes for students, displayed exceptional personal growth, actively contributed to the growth of the school community and served as a positive influence on their peers.

In more specific terms, our HALTs demonstrated impact on the growth of their peers in the following ways:

- modelling high-quality teaching
- inspiring colleagues
- mentoring of first year teachers and aspiring HALTs
- being someone who can provide advice
- supporting colleagues through expert knowledge
- sharing with colleagues and supporting them to take risks
- impact on colleagues changed from being a micromanager to inspirer.

(ISQ, 2019, p. 4)

GOOD PEOPLE ARE GREAT PROFESSIONAL DEVELOPMENT CONTINUED

Scaling the impact of on-the-job learning (learning from our best)

The latest research and leading thinking in the field continues to reinforce the view that authentic on-the-job learning has the greatest impact on long-term performance and self-efficacy. While this does not minimise the value of expert external input as part of that process, it highlights the value of highly effective teachers investing in context-specific analysis of teaching and learning to measure and improve impact across the workforce.

Further, we've known for some time, that the strongest outcomes are realised in learning organisations. These organisations are environments that are highly collaborative and have a shared vision of improving instruction and meeting student needs.

The subject of teacher performance measured by external evaluations or assessment continues to prove contentious. However, research from the USA and ISQ's research into certification does appear to show that a heightened and formalised focus on evidencing the strengths of

great teachers hold many positives for teacher leadership, staff retention and student outcomes.

Educators who are supported to focus deeply on their 'performance' draw upon this to inform and amplify their practice with their peers. A performance analysis lens allows great teachers to consider the implications for their own ongoing learning and growth, potentially improving retention.

Recent initiatives, such as certification of HALTs in Australia, can be opportunities for school leaders to activate the impact of their most effective teaching staff and create a pathway for formal recognition of our most inspirational teachers.

Research tells us that it is these leading educators who have a significant impact not only on the students they teach, as well as their peers and the wider community. As we seek more authentic learning experiences and continue to transform our schools into learning organisations, perhaps it's possible to more intentionally enable the 'best and brightest' to lead the way.

To support this work, ISQ offers:

- A range of professional learning opportunities, all outlined in our 'Professional Learning Prospectus'

- Certification process, including training for applicants and mentors, toward certification at Highly Accomplished and Lead Teacher career stages
- School Reviews, including leadership and executive team reviews to support implementation
- Strategic Performance and Development program – supporting schools to design context-specific teacher performance frameworks and processes.

References and further reading

Dee, T. S., & Wyckoff, J. (2017). A lasting impact: High-stakes teacher evaluations drive student success in Washington, D.C. *Education Next*, 17(4). Retrieved from <https://www.educationnext.org/a-lasting-impact-high-stakes-teacher-evaluations-student-success-washington-dc/>

Independent Schools Queensland. (2019). *Recognising the impact of Highly Accomplished and Lead Teachers in Queensland independent schools*. Retrieved from <https://rms.isq.qld.edu.au/files/HALT%20Impact%20Report%202018%20-%20key%20findings.pdf>

Jensen, B., Sonnemann, J., Roberts-Hull, K., & Hunter, A. (2016). *Beyond PD: Teacher professional learning in high-performing systems*. National Centre on Education and the Economy, Washington, DC. Retrieved from <http://www.ncee.org/wp-content/uploads/2015/08/BeyondPDWeb.pdf>

OECD. (2019). *TALIS 2018 results (volume I): Teachers and school leaders as lifelong learners*. Retrieved from <https://doi.org/10.1787/1d0bc92a-en>.

Senge, P. M. (1990). *The fifth discipline: The art and practice of the learning organization*. New York: Doubleday/Currency.

Will, M. (2019, December 11). A decade of high-stakes teacher evaluation: Studies find positive results in D.C. [Blog post]. Retrieved from http://blogs.edweek.org/teachers/teaching_now/2019/12/teacher_evaluation_new_studies_find_positive_results_in_dc.html

HALT teacher leaders are reflective and self-aware and play an important pedagogic leadership role.

ISQ thanks its 2020 Alliance Partners

Platinum Alliance



Your fund.
Your wealth.
Your future.

Gold+ Alliance



CommonwealthBank



Silver Alliance



Bronze Alliance



Disclaimer:

The information contained in this publication is to the best of our knowledge and belief correct at the date of publication. However, no warranty or guarantee is or can be given by Independent Schools Queensland or any member of its staff, and no liability is or can be accepted for any loss or damage resulting from any person relying on or using the information contained in this publication.

APRIL 2020
Licensed under NEALS

Independent Schools Queensland Ltd
ACN 614 893 140 ABN 88 662 995 577



**Independent Schools
Queensland**

choice & diversity

Head Office
Level 1, 96 Warren Street, Spring Hill Q 4000
PO Box 957, Spring Hill Q 4004
P (07) 3228 1515 E office@isq.qld.edu.au

Professional Learning Centre
Level 5, 500 Queen Street, Brisbane Q 4000
P (07) 3228 1507 E events@isq.qld.edu.au

www.isq.qld.edu.au