

Review of Funding for Schooling

Response to the Four Commissioned Research Reports



BY

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Introduction

The Australian Parents Council (APC) is the national organisation representing the parents of students attending non-government schools. In this context the word “parent” includes carers and legal guardians.

We welcome the opportunity to contribute to the consultation process in relation to the four research reports, which were commissioned by the Review of Funding for Schooling Review panel.

Through the Review’s processes to date APC has argued strongly that it is inappropriate to exclude parental engagement with schooling from deliberations concerned with the equitable funding of schooling and the improvement of school performance.

What happens in schools determines about 40 per cent of students’ schooling outcomes. The other 60 per cent is determined by what students bring to school, i.e. their inherent personal characteristics and abilities and their parents’ interest in and aspirations for their schooling.

Programs aimed at engaging parents with their children’s schooling are not only effective in terms of student outcomes. They have wider and lasting benefits for parents, teachers and the wider community which feed directly into improvements in the life quality and economic wellbeing of individuals, the social capital of communities and the fortunes of the economy generally.

We have therefore taken this opportunity to submit to the Review panel a supplementary paper to this formal response. That paper is entitled *Parental engagement with schools and schooling: A framework for its inclusion as a key element of school funding*.

The paper is particularly relevant to the Review’s Term of Reference Number 2 in which it is required to consider the roles of families, parents, communities and other institutions in providing or supporting educational partnerships with schools.

The following responses presented by APC to the commissioned research papers are based on the following principles:

- Parents are the primary educators of their children
- Parents have the right to choose the type of schooling that best suits their children
- Governments are obliged to support parents’ capacity to exercise their right of choice of schooling



- All students have a right to access and receive a quality education to enable them to attain their potential
- All students have the right to an equitable share of government funding for their schooling
- The student, not the school, must be the focus for the allocation of government funds for schooling outcomes
- Effective partnerships are central to the success of schooling
- Active and empowered parent groups and parents can, and do, make a significant difference



Research Report 1: Assessment of current process for targeting of schools funding to disadvantaged students – Australian Council for Educational Research (ACER)

APC agrees with the authors of the ACER report that:

1. The establishment of a nationally consistent definition for students with disabilities remains a significant and uncompleted task.
2. The quantum of additional targeted funds required for students with disabilities remains a pressing issue
3. The imbalance in funding for students with disabilities across the sectors creates difficulties for students, parents and schools.
4. In all OECD countries there is a significant relationship between student performance and family socio-economic background. All OECD countries use funding in an attempt to reduce the impact of particular disadvantages in student background on their educational outcomes.
5. In order to develop an appropriate weighting for disadvantaged students, information is needed on how much more it costs to provide schooling for students with particular disadvantages.
6. Available research indicates that while additional funding is a necessary condition for redressing disadvantage, it is not sufficient on its own. Rather it needs to be seen as part of a comprehensive approach to lifting educational achievement that includes appropriate curricula, strong school-community links and high quality teaching.

APC submits the following comments in relation to the ACER report:

1. Systematic, Integrated and Sustained Approaches to Parental Engagement

APC believes that if school funding policy is to maximise schooling outcomes for all students, it must provide for the systematic, integrated and sustained engagement of parents with their children's schooling, particularly in schools serving students from disadvantaged backgrounds. The supplementary paper, *Parental engagement with schools and schooling: a framework for its inclusion as a key element of school funding*, provides further detail and comments in respect of this issue.

2. Funding System Principle of Fairness

APC does not support the payment of monies via state and territory governments without specific direction of dollar share between schooling sectors, as APC believes the consolidation of funding sources through the COAG National Partnerships regime has been a failure in that it has not supported the funding system principles of fairness and equity.

3. Additional Resources for Students with Disabilities

APC believes it is imperative that additional resources are provided for students with disabilities, particularly in the non-government sector, so that the funding system principles of fairness and choice are upheld. Fairness is currently lacking in the funding



system because the funding arrangements do not treat students with a disability equally across jurisdictions, sectors and/or systems.

Choice is not currently being upheld because government funding is not supporting diverse school provision that is able to respond to a range of parental preferences and student needs.

4. Common Definition of Disability

APC notes the ongoing efforts to achieve a common definition of disability across Australian schooling jurisdictions. APC recommends that any definition/s of disability used to allocate funding should be based not only on medical diagnosis but also on functional and contextual capacity.

5. Funds for Additional Infrastructure for Students with Disabilities

APC believes that there should be a pool of funds made available for additional infrastructure required to accommodate students with disabilities such as modifications to environments, equipment storage, additional support staff etc.

6. A benchmark cost for educating a student with disabilities

A benchmark for the (real) average government school costs for educating a child with disabilities in a government school should be adopted to inform the allocation of additional funding provided for children with disabilities attending non-government schools (this has been calculated to at least be approximately three times the cost of educating a mainstream student).

7. Program-Specific Funding

APC believes that Australian government program-specific funding to address particular issues and schooling improvements identified by governments should be maintained, broadened and enhanced particularly for funding programs that seek to address educational disadvantage for students with disabilities; indigenous students; rural and remote students; and students with limited English language proficiency.

8. Building Research-based Evidence & Data around Disadvantaged Students

The lack of data and evidence to inform the ACER report provides a strong case for building research-based evidence and data around disadvantaged students (including students with disability, indigenous students, low SES students, rural and remote students, and students with limited English language proficiency), based on consistent definitions across sectors and jurisdictions, to inform planning and future decisions.



Research Report 2: Assessing existing funding models for schooling in Australia – Deloitte Access Economics

APC agrees with the authors of the Deloitte report that:

1. Evidence relating funding model design to educational outcomes is weak.
2. In practice high calibre funding models are those which combine different features in a complementary and effective fashion – given local demographic, historical and geographic factors – and draw on the highest quality available evidence to inform their design and periodic review.

APC submits the following comments in relation to the Deloitte report:

- **Parental Engagement – A factor that can be influenced by funding model design**
Deloitte states the most notable factors that can be influenced by funding model design are ‘Teacher Quality’, ‘Autonomy’ and ‘Socio-economic status’. APC agrees that these factors are important ‘in school’ determinants of student outcomes that can be influenced by funding model design.

However, such in school elements account for approximately forty per cent of schooling outcomes. Parental engagement is also a very notable factor in determining schooling outcomes and we provide further detail and comments on this critical issue in the supplementary paper entitled *Parental engagement with schools and schooling: a framework for its inclusion as a key element of school funding*.

- **The Five Principles of a Funding System**
In the report Deloitte distinguishes between a funding model and a funding system as follows:
 - A funding model relates to the means and mechanisms through which funding is allocated from a given source to a defined group of recipients.
 - A funding system may be comprised of a single funding model or as is the case with Australia multiple discrete funding models that interact, given the regulatory and policy environment to determine ultimate funding outcomes.

Deloitte focuses on how a funding model might optimally be designed and thus the additional principles of a funding system are not focussed on in the report. APC considers it is regrettable that the Deloitte report does not consider the following five additional principles of a funding system particularly as these are very relevant in Australia where there are a number of discrete funding models that are in place across diverse sectors and jurisdictions:

- **Neutrality:** the extent to which the system creates a competitive playing field between providers of different ownership structures.
- **Fairness:** the extent to which funding arrangements treat schools and students equally across sectoral or system boundaries
- **Sustainability:** the extent to which local government outlays are sustainable given fiscal conditions and other policy priorities



- **Choice:** the extent to which funding supports diverse school provision able to respond to a range of parental preferences and student needs
- **Coherence:** the extent to which funding arrangements at all levels of government complement one another and reinforce the capacity of schools to achieve agreed goals across sectors and systems.

The fact that the Deloitte research report does not give due consideration to the additional principles of a funding system is concerning because APC believes that issues relating to the principles of choice and fairness are central to the current quest to improve Australia's school funding model. APC's position on the principles of fairness and choice are discussed in more detail below.

- **Choice in Schooling**

One of APC's principal goals is to promote choice in schooling and APC strongly advocates for a funding system that supports parental choice. Every parent contributes through direct and indirect taxation to the cost of schooling and is therefore entitled for their children to share in public funds available for schooling. The fact that governments in Australia generally recognise this principle (whilst supporting it to varying degrees) has enabled many parents to choose schools they consider most suitable for their children without being subjected to undue financial hardship if their choice is for their child to attend a non-government school.

The freedom of parents to choose non-government schools is enshrined in international covenants to which Australia is a signatory. These endorse everyone's right to education, directed towards the development of the whole human personality. They recognise the prior right of parents to choose the kind of education that shall be given to their children and freedom in matters of religion and belief.

APC recognises that it will be a challenge to develop a funding model that continues to facilitate parental choice while ensuring that the social and/or economic status of parents does not unreasonably deny them the capacity to exercise choice.

However APC believes that this is an achievable goal and has consistently advocated for a funding model that provides a funding entitlement from governments for every student with additional support attached to students with greater educational needs.

- **Funding System Principle of Fairness**

APC strongly supports Deloitte's funding system principle of fairness, i.e. that funding arrangements should treat students equitably across sectoral and state/territory boundaries.

Delivery of Australian Government funding through the mechanism of the COAG National Partnerships has been inconsistent between states and territories and has not met the system funding principle of fairness. In many instances non-government schooling authorities have been required to 'compete' with government schools for funding on an inequitable basis. Often State and Territory Ministers for Education perceive themselves to be ministers for public schools.

This unfair situation is accentuated by the lack of transparency and accountability in respect of how Commonwealth funding, intended to achieve specific purposes, is allocated or spent by the States and Territories. In addition, this funding mechanism



significantly diminishes the Commonwealth's capacity to be a driver of reform and innovation in the development and delivery of programs aimed at addressing national policy issues.

- **Quality, Availability and Transparency of Data**

APC believes that Australia needs to further develop the quality, availability and transparency of data and evidence used to inform funding model and system design and periodic review.

It is APC's firm opinion that the current Socio-Economic Status (SES) funding model has been the most effective model for funding schooling in Australia. It needs to be demonstrable that any proposed replacement will improve on that model, preferably by more fully addressing the additional principles outlined above.

- **Indexation**

APC strongly advocates that annual indexation linked to increased costs for schooling against relevant benchmarks must be a key element of any school funding model. A school funding model must appropriately balance effectiveness, adequacy and equity against efficiency so that high quality education outcomes are achieved for all students. Annual indexation as it is currently applied in Australia maintains funding in real terms to reflect both costs and educational expectations and this approach must be continued.



Research Report 3: Feasibility of a national schooling recurrent resource standard – The Allen Consulting Group

APC submits the following comments in relation to the Allen Consulting Group's research report:

- The national schooling recurrent resource standard (NSRRS) appears to be based on an assumption that there is a direct causal relationship between resources and schooling outcomes, in that it seems to focus on estimating the resourcing necessary to meet specified national schooling outcomes. In contrast, a 2011 OECD report states that:

“Research usually shows a weak relationship between educational resources and student performance, with more variation explained by the quality of human resources (i.e. teachers and school principals) than by material and financial resources, particularly among industrialised nations. The generally weak relationship between resources and performance observed in past research is also seen in PISA.....The lack of correlation between the level of resources and performance among school systems does not mean that resource levels do not affect performance at all. Rather, it implies that, given the variation in resources observed in PISA, they are unrelated to performance or equity”¹

- Allen Consulting Group propose using the NAPLAN data for assessing schooling outcomes. APC has very strong concerns with this proposal for the following reasons:
 - NAPLAN data provide a very tenuous basis for assessing schooling outcomes and school performance. They measure, against very basic standards, student performance on a particular day in respect of a very narrow academic band.
 - Parents and the Australian community expect much more from schools than children achieving basic academic standards. When parents are asked what they want for their children, they aspire to a holistic education that goes far beyond academic achievement.
 - ACARA has stated that the Index of Community Socio-Educational Advantage (ICSEA) index was not designed for the purpose of allocating funds for schooling.
 - The processes described for student assessment to support an NSRRS are extremely complex.
- APC believes that the processes described for validation of an NSRRS are overly complex and will be difficult and costly to implement.
- APC believes that the SES model is currently the best available measure of calculating socio economic status for the purposes of determining funding for schooling and should be retained unless a demonstrably more robust and reliable model can be identified by the Review panel.
- APC considers that the authors underestimate the complexity in developing and implementing a NSRRS. This is particularly evident in respect of their failure to appropriately articulate how the NSRRS would address the following contextual factors listed in the report as needing consideration in applying a NSRRS in Australia:

¹ OECD. (2011). Strong Performers and Successful Reformers in Education: Lessons from PISA for the United States. Page 53.



- The process of learning at school takes place over many years and is powerfully influenced by a range of external factors;
 - Teaching is far more complex than the delivery of other human services and it is far more difficult to link funding to outcomes at a particular point in time;
 - Educational outcomes are heavily influenced by inherent student characteristics, as well as past educational achievement and social background;
 - Many students change schools and bring with them achievement levels partly attributable to learning at their previous school;
 - Outcomes from schooling are also influenced by how financial resources are used, not just the level of resources provided;
 - There is enormous variation between Australian schools in terms of the communities they serve, the background of students, their size and location; and
 - The Australian Government is a contributor to school funding rather than a purchaser of services, with differential contributions to different sectors.
- Overall APC believes that the NSRRS being proposed is unfeasible and that it would be more cost effective and a more efficient use of resources to adequately resource the current SES funding model and focus upon finding a more transparent and efficient means of calculating the real cost of educating a student in a government school.
 - The NSRRS as proposed does not provide a standard for resourcing capital funds. APC is concerned that a standard for future school capital funding has not been addressed in the report.

The Department of Education, Employment and Workplace Relations has forecast that school enrolments will continue to grow. Current enrolment trends indicate this will impose sustained pressure upon the non-government sector to provide new schools and facilities and makes the provision of appropriate capital funding an imperative.

- APC supports the investment of resources where they can make the most difference and we do not believe the development and implementation of the NSRRS will achieve this goal.



Research Report 4: Schooling challenges and opportunities – The Nous Group

APC agrees with the following reflections of the Nous Group, while noting that they are neither original nor particularly helpful in the context of what they were asked to do to assist the Review in its deliberations:

1. Much of the variation in schooling outcomes is driven by the variation in student socio-economic background.
2. There are other types of disadvantage that need to be taken into account, in addition to socio economic disadvantage, when thinking of how to realise full potential.
3. The dividends from engagement in schooling extend to broader ‘quality of life’ dimensions.
4. It is possible to have school systems that are both highly equitable and high performing.
5. There is a well-understood set of ingredients that contribute to student performance and widen the opportunity for children of all backgrounds to achieve their potential.
6. Future school funding should maintain current areas of focus.
7. Future school funding should provide additional investments to further enhance or embed the reforms.

APC submits the following comments re the Nous Group report:

- **Parental Engagement – A Lever for Improvement**

The authors of the report state that there are common elements that underpin any school’s success and that these should inform Australia’s future direction. They then recommend funding focus on six areas. The six levers for improvement that are recommended are already the subject of considerable reform effort and APC supports continued funding for these reforms.

However, APC also believes that if funding of schooling is to maximise schooling outcomes for all students it must provide for and enable systematic, integrated and sustained approaches to parental engagement, particularly in schools serving students from disadvantaged backgrounds. Further details about APC’s views in relation to parental engagement are provided in the supplementary paper, *Parental engagement with schools and schooling: a framework for its inclusion as a key element of school funding*.

- **Equitable Funding for Schooling**

APC would not support ‘the re-directing of resources from elsewhere’ for future school funding where this involves “pressure on schools to take on more underperforming students”. Rather, APC strongly advocates that all students have the right to an equitable and fair share of government funding for their schooling and that the student, not the school, must be the focus for any allocation of public funds.



- **Regional Community Bodies**

The report argues that to “transcend sectoral approaches and mitigate the effects of the competitive school market, that consideration be given to new funding for regional community bodies whose responsibility is to support the performance improvement of all schools, including through collaboration and joint initiatives”.

APC would not support new funding being directed to these regional community bodies for the following reasons:

- Any new funding or resources should be invested where they can make the most difference. The funding of yet another level of bureaucracy would be neither a necessary nor useful purpose.

Interestingly, the authors of the Nous report identify parental involvement as one of the common elements that explain or contribute to good student outcomes. They then appear to relegate it to a ‘secondary’ level of importance, a decision which may result from the common underrating of the impact of parental engagement in a few reports by education academics who focus on the ‘in school’ factors relating to student performance.

We strongly believe that the approaches outlined in our supplementary paper, entitled *Parental engagement with schools and schooling: a framework for its inclusion as a key element of school funding*, presents a case for parental engagement as being a valid target for school funding aimed at improving the schooling outcomes of disadvantaged student cohorts.

- The research paper provides no meaningful evidence to support its claim that “transcending sectoral approaches and mitigating the effects of the competitive school market” are valid reasons for the investment of new funding into regional community bodies.
- There are already collaborative and joint initiative programs that are aimed at supporting improvement in the performance of schools in communities across Australia. The Australian Government’s Values Education Program provided a significant body of evidence to demonstrate the capacity of schools to organise in clusters, often across jurisdictions and sectors, to maximise the efficiency and outcomes of such initiatives.