



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEE NO. 3 - EDUCATION

MEDIA RELEASE

INQUIRY INTO MEASUREMENT AND OUTCOME-BASED FUNDING IN NEW SOUTH WALES SCHOOLS

FOR IMMEDIATE RELEASE

An Upper House inquiry has been established to inquire into and report on measurement and outcome-based funding in New South Wales schools.

The closing date for submissions is Saturday 31 August 2019. The committee anticipates holding public hearings shortly thereafter. The committee is due to report by Friday 20 December 2019.

For information about the inquiry, including its terms of reference, or for more on how to make a submission, please go to our [website](#).

For further information please contact Committee Chair, the Hon Mark Latham MLC, on 9230 3682.

Statement by Committee Chair, Hon Mark Latham MLC, on the establishment of the inquiry

New South Wales school results have been going backwards compared to other States and countries. Increased funding has not led to increased academic results. Something inside the system has gone wrong.

Traditionally schools have been funded to cover inputs and costs, with adjustments for variations in need. This has led to a frustration that public money is poured into the schools funding silo (\$18.5 Billion in the 2019/20 Budget) without clear measures and indicators for what is being achieved.

To its credit, the New South Wales Government has recognised the need for a stronger focus on school outcomes.

On 28 May 2019, the Education Minister, the Hon. Sarah Mitchell MLC, told the Parliament:

Recurrent funding is not enough because we have to ensure that while we are putting taxpayer money into the system it is used to deliver improved outcomes... One of my priorities as Minister will be to ensure that we match education funding to outcomes. I know it is a priority that the Premier shares as well. We will work collaboratively with stakeholders across the sector and the community to create a framework to achieve this.

In his 2019 Budget speech, the Treasurer Dominic Perrottet announced that "Education will be the first department shifting to a focus on outcomes" as part of the Government's policy for "outcome budgeting".

It is timely, therefore, for a Parliamentary Committee to examine this important shift in funding emphasis, ensuring that improved school quality and equity goals can co-exist. The accurate measurement of school outcomes is essential.

An immediate concern is the current state of measurement in the schools system. The prevalence of testing, grading, achievement awards and performance standards appears to be in decline. This is worrying for parents and taxpayers alike, who expect regular, reliable feedback on how their children and the overall system are performing. Extra funding of schools has been accompanied by a sharp drop in results, standards and measurement indicators in New South Wales.

Outcome-based funding can be thought of as a subset of needs-based funding. The only way of effectively meeting needs is through improved outcomes. New South Wales has a long list of disadvantaged schools, seemingly a permanent list. Our goal must be to establish and grow a list of "formerly disadvantaged schools". Outcomes are critical.

Also of note, the Commonwealth Government currently has the Wellings Review underway, examining "Performance-Based Funding for the Commonwealth Grant Scheme" for universities. Future funding of growth money in the system will be linked to university outcomes and performance – an important trend in the broader education sector.

The Committee encourages all interested stakeholders in NSW school education – especially parents, students and teachers – to make submissions to the Inquiry.

Terms of Reference

1. That Portfolio Committee No. 3 – Education inquire into and report on measurement and the proposal for outcome-based funding in New South Wales schools, and in particular:
 - (a) New South Wales school results relative to other states and other countries and what these trends show about schools policy,
 - (b) the existing state of measurement in the New South Wales education system and the measurement systems and data requirements that would be required to implement outcome-based budgeting in the New South Wales education system,
 - (c) consequences of the introduction of outcome-based budgeting for New South Wales schools with particular regard to:
 - (i) the needs of and impact on disadvantaged schools and students from a disadvantaged background
 - (ii) the needs of and impact on students with a disability
 - (iii) parental/community involvement in school accountability
 - (iv) the development of the status and quality of the New South Wales teaching profession
 - (v) establishing international best practice for teaching methods, performance measurement and school management in New South Wales
 - (vi) the effectiveness of the Local Schools/Local Decisions policy,

- (d) how schools should be funded into the future and whether New South Wales growth funding, including from Gonski and other sources, should be linked to outcomes and performance,
- (e) reporting and accountability measures for all schools in regard to state government funding,
- (f) the provision of wrap-around services to support educational outcomes, and
- (g) any other related matters.

2. That the committee report by 20 December 2019.

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