

**Submission
No 12**

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

Organisation: Catholic Schools NSW

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Introduction

Catholic Schools NSW Limited (CSNSW) is established by the NSW Bishops and is responsible to them as the peak body for Catholic education in NSW. CSNSW takes a leadership role, coordinating and representing Catholic education in NSW at a state and national level.

While CSNSW represents the interests of all Catholic schools, being the Approved System Authority for NSW Catholic school systems under the Australian Education Act (2013) and NSW Education Act, it has a particular funding coordination role on behalf of Catholic systemic schools.

Consistent with the principle of subsidiarity, day to day operational responsibility for schools lies with each of the eleven diocesan education offices for Catholic systemic schools and with each individual school for Catholic independent schools.

Catholic schools have been part of Australia's education landscape for 200 years. Today, NSW's 598 Catholic schools enrol more than 257,000 students, or one in five of the state's students. Employing almost 31,000 teachers and other staff, Catholic schools play a critical role in the delivery of school education in NSW.

At a student level, Catholic education is characterised by the integration of Catholic faith and culture and is committed to the education of the 'whole person' which includes the intellectual, physical, spiritual and emotional aspects of an individual's development.

The benefits of Catholic schools go beyond the important role of educating students. Modelling by EY shows savings to the NSW Government of \$1.69 billion per year in recurrent spending, and \$7.91 billion in capital spending.¹

CSNSW welcomes this inquiry as an opportunity to learn from previous successes and drive improvement in student outcomes.

¹ <https://www.csnsw.catholic.edu.au/case-catholic-schools/>

Current measures of accountability

While CSNSW believes the existing accountability regime for NSW Catholic schools is comprehensive, we are open to further inquiry on ways to make these accountabilities more efficient in design or more effective in their application.

A successful example in this regard is NESA's initiative towards a rigorous and risk-based approach to school registration. Developed in consultation with each school sector, this approach has improved compliance and reduced the 'red tape' burden for school staff, freeing up resources for core teaching activities.²

CSNSW considers there are several robust processes in the schools sector which underpin accountability.

- Extensive compliance and reporting obligations to governments at school, diocese, and system levels, which includes:
 - Annual Financial Accountability Report, including audited financial statements, block allocation details, and a Financial Questionnaire for each school;
 - Annual Non-Government Schools Census, with information on number of students and staff per school, students on a visa, students with disability, and Indigenous Australian students;
 - Audited statement on expenditure compliance with education regulations, not-for-profit guidelines, and census requirements;
 - Ministerial approval for each capital project with government funding, and quarterly reports to NSW Government on status and expenditure of capital projects;
 - Reporting and compliance obligations with respect to NSW Education Standards Authority (NESA) regulations on school operations and registration, teacher accreditation, and overseas students;
 - Annual Nationally Consistent Collection of Data on School Students with Disability (NCCD);
 - Compliance with over 70 State and Commonwealth Government pieces of legislation.
- Catholic Schools participation in important government programs such as the *NSW Literacy and Numeracy Action Plan* and the *National School Chaplaincy Programme* is dependent on satisfying a range of accountability measures, including external evaluations and status reports.
- Parent choice remains a key driver of accountability. The success and viability of Catholic education is dependent on parent satisfaction, and their willingness to continue to choose to send their children to Catholic schools.
- Public reporting of school and student information facilitates accountability to parents and other stakeholders. School HSC performance is widely reported on each year, and the *MySchool* website includes NAPLAN results, attendance, attainment, recurrent and capital funding, and staff headcounts. CSNSW strongly supports the continuation of NAPLAN as a tool to help

² NESA Annual Report 2017-18, p.24,
<https://www.parliament.nsw.gov.au/la/papers/DBAssets/tailedpaper/webAttachments/74873/NESA%20Annual%20Report%202017-18.pdf>

identify students needing support with their basic skills and notes its high support among parents.³ It is also an important tool for informing school and system improvement efforts, being the only assessment conducted by all schools nationally.

These various measures form part of a comprehensive accountability framework for schools, providing regulators, funders and the community assurance over school operations and meaningful oversight of outcomes. The current approach strikes an appropriate balance between accountability and transparency and maintaining autonomy over school and system operations. Both are necessary in order for Catholic schools to fulfil their mission and ensure genuine choice to parents.

Future Consideration

CSNSW would like to continue work with the Committee as it progresses consideration of any proposals for outcome-based funding. CSNSW notes this concept is presently 'under review' and does not necessarily endorse formal adoption; significant changes to school funding models and policy require extensive consideration and consultation.

At this initial stage, major points for consideration of outcome-based funding include:

- Design Principles;
- Defining the portion of 'outcome-based funding' of the entire school funding model;
- Selection of any benchmarks;
- Time relationship between data and funding outcomes.

School sector specific considerations are addressed later in this submission.

Measurement of outcomes in NSW Catholic Schools

The detail and availability of school and student data has never been greater, and Catholic Schools in NSW are taking advantage of this opportunity through a range of strategic projects. Catholic Schools NSW has initiated bi-annual system-wide reporting on a range of performance indicators through its State of the System and Excellence and Equity reports. Catholic school agencies through CENet have developed system-level data warehousing and on-demand analytic capability through its *CeD3* project. Catholic school systems also foster system-wide learning through events such as the bi-annual National Diocesan Catholic System *School Improvement Colloquium*.⁴

Data-driven initiatives are also taking place at the school level, with a relevant case study provided here for the Committee's consideration: *Our Lady of Mount Carmel* primary school in Waterloo, Sydney.

³ ACARA NAPLAN research, February 2019, <https://acaraweb.blob.core.windows.net/acaraweb/docs/default-source/assessment-and-reporting-publications/2018-naplan-online-parent-research.pdf?sfvrsn=2>

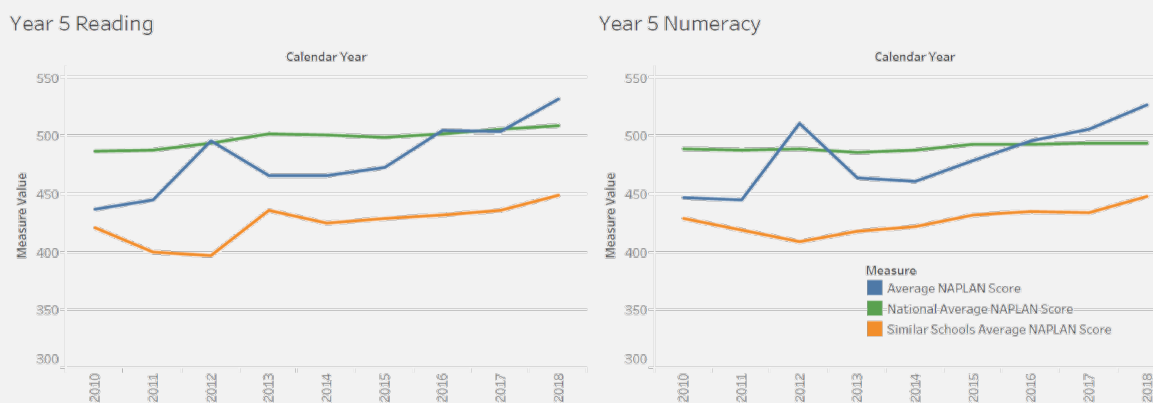
⁴ <http://www.bth.catholic.edu.au/About---Colloquium>

Case study: Our Lady of Mount Carmel primary school



Image sources: Briggs Jourdan; The Catholic Weekly

A small school in metropolitan Sydney, it is low-SES and has a high indigenous population. A new leadership team in 2009 advanced best practices in teaching methods and data use, leading to a steady improvement in NAPLAN results such that they are now above both the national average and the average of similar schools.



2018 NAPLAN results in Reading & Numeracy for Our Lady of Mount Carmel Primary School

Key measures include:

- Continuous monitoring of school-wide achievement and student progress in literacy and numeracy through tests and other assessment tools;
- Curriculum adjustments based on the monitoring process, which includes student feedback, classroom observations, and professional conversations between teachers and the school leadership team;
- Continuous collection and analysis of both quantitative and qualitative data. A data wall of learning progress available to all staff has helped focus discussions in this regard.

The Sydney Catholic Schools data analysis team have noted "The data use practices in this school are a model for other schools to adopt".

There is scope to support these best practices and scale them up across the system through initiatives in the policy arena.

Data access and data sharing

While NESAs hold cross-sector data which it provides to the NSW Department of Education for reporting to the Minister, there is merit in de-identified cross-sector data being made available to school sector authorities who have the ability to influence school and system improvement efforts at the local level. Equitable access to cross-sector data could be achieved through a memorandum of understanding and/or data sharing agreement. Victoria has taken this approach.

A data-sharing agreement for supporting school and system improvement could include (de-identified) student performance and outcomes data, for example NAPLAN, HSC, post-school destinations, as well as teacher data held in the electronic teacher accreditation management system (eTams) for workforce development and planning.

Better utilisation of existing datasets, including through cross-sector collaboration, is the 'low-hanging fruit' for improving student outcomes, and CSNSW would welcome opportunities to discuss in more detail approaches for realising these opportunities.

CESE as a NSW-wide resource

The Centre for Education Statistics and Evaluation (CESE) represents the 'gold standard' in evidence-based research and effective use of data in the Australian schools sector. Importantly, the focus is not just on 'outcomes' but also 'inputs', that is, measuring the take-up and impact of school and teaching strategies, so that strong outcomes can be replicated.

NSW Catholic Schools have benefited from CESE's work to date, including through the *NSW Literacy and Numeracy Action Plan* and data analytics hub *SCOUT*. CSNSW believes there is scope for growing and enhancing CESE's relationship with the non-government sector, and progress on this matter would be assisted by the Committee's own inquiries of CESE in this area.

Outcome-based budgeting – Considerations

CSNW acknowledges the need for effective and efficient delivery of education across NSW, especially given the very significant investment by taxpayers and notes the NSW Government’s proposed outcome-based budgeting.

The NSW Government’s Policy and Guidelines Paper (Outcome Budgeting) outlines the elements of the proposed approach in NSW. Table 1.1 below from the policy and guidelines paper sets out how government processes are intended to change.⁵

Table 1.1: How processes will change in NSW Government

Current Processes	Future Processes
Provider perspective: Total budget spend is disaggregated into agencies and explained in terms of outputs and services they will deliver.	Citizen perspective: Total budget spend will be disaggregated into outcomes and explained in terms of the outcome targets to be achieved and outputs and services to be delivered to achieve those targets.
Agency focus: Resource allocation planning and decisions centred around agencies, limiting cross sector and whole-of-government perspectives.	Outcome focus: Resource allocation planning and decisions to be centred around achieving outcomes, encouraging cross-cluster collaboration and a whole-of-government perspective.
Financially driven decisions: Budget information and monitoring focused more on agency financials, with performance information, where available, given limited attention but not routinely incorporated in decision making.	Performance informed decisions: Budget information and monitoring will consider both financial and performance information of programs, outputs and services to inform performance informed decision-making.
Ad-hoc reviews: Reviews of public spending, evaluation of program performance, and evidence to inform future budget decisions are not consistent or systemic across the government.	Systemic reviews: Reviews will be systemic and integrated with the budget process to develop a robust evidenced based decision making and promote greater value from public spending.

CSNSW directs the Committee’s attention to other jurisdictions. Experience elsewhere, including in New Zealand and Scotland, shows that implementing outcome-based budgeting can have significant challenges, especially in complex areas like education where the factors impacting on outcomes and multiple and varied and the majority lie outside the direct influence of the school.

It is also important to note that historically schools funding, for the non-government sector at least, has not been based on a pure service delivery model. Needs-based funding models have been a feature of the sector for some decades and have been refined over time with the latest iteration being the School Resourcing Standard (SRS) model.

Under the proposed NSW outcome-based budgeting model, greater cross-agency and whole of government collaboration is envisaged to achieve a set of agreed outcomes. As the majority of factors impacting student outcomes lie outside the school, a model that looks more holistically at students’ needs (or desired student outcomes) could add considerable value.

Clarity, however, is needed around how a move to a whole of government outcome-based budgeting model might affect non-government school funding and in particular access to services and programs

⁵ https://arp.nsw.gov.au/sites/default/files/TPP18-09_Outcome_Budgeting.pdf

across government agencies to support improved student outcomes. CSNSW would welcome the opportunity to discuss how such a model may work.

At present the experience of non-government schools in being able to equitably access services and programs across government agencies is limited and is particularly problematic in relation to our most vulnerable students. For example, non-government schools cannot access the Home School Liaison Program for students at risk of non-attendance at school, nor can they access the Child Wellbeing Units for students suspected of being at risk of significant harm. Similarly, from 2020 non-government schools may no longer be able to access the Case Management & Specialist Support Unit in relation to students who display anti-social and extremist behaviour. Non-government schools also tend to be excluded from inter-government agency collaborations involving data on the basis of privacy – even when non-government school data is being used.

Some of the other challenges in relation to outcome- based funding include:

- Outcomes for some initiatives / interventions may not be meaningfully measured until they have been running for many years;
- Applying common and/or blunt metrics across the state can ignore the diversity of schools' contexts, for example in terms of their geography or even mission-focus;
- In areas where multiple agencies contribute to a single outcome, determining meaningful measures, ensuring coherence and alignment of activity, mitigating competition and determining the funding share to each agency are all highly contentious tasks.

Conclusion

CSNSW supports this inquiry's focus on ensuring that NSW has an education system that is both high quality in terms of outcomes and efficient in its use of resources. Indeed, the effectiveness and efficiency of the NSW Catholic education system is part of the refreshed mandate of Catholic Schools NSW.

While CSNSW believes the existing measurement and accountability regime for schools is robust and comprehensive, CSNSW is open to further conversations on ways it can be streamlined.

Catholic schools in NSW are already developing and implementing a range of innovative, data-informed initiatives to improve student outcomes and drive school and system improvement. Some of these initiatives are in their infancy and the impact on outcomes will take time to come to fruition. This work would be further enhanced through greater equity of data access between sectors as well as transforming CESE into a truly NSW-wide resource.

CSNSW acknowledges the challenges and opportunities that outcome-based budgeting can provide. These need careful consideration, and clarity is needed in terms of what it may mean for non-government schools, noting it represents a significant departure from current practice.



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