

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

Organisation: Association of Independent Schools of NSW

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Submission from the Association of Independent Schools of NSW

Inquiry into measurement and outcome-based funding in New South Wales schools

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Submission from the Association of Independent Schools of New South Wales (AISNSW) Ltd

This submission has been prepared by the Association of Independent Schools of NSW (AISNSW).

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The AIS will be pleased to elaborate on any aspects of this submission as required.

Yours sincerely,

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Chief Executive

Contents

Introduction.....	1
The Association of Independent Schools of New South Wales (AISNSW).....	1
Enrolment changes in NSW and the role of the independent school sector	1
Overview of the AISNSW submission.....	1
a) Outcomes of education.....	2
NAPLAN, PISA, TIMMS and PIRLS.....	2
Broader outcomes of schooling.....	3
b) Outcome measurement in NSW independent schools.....	3
Capacity building	4
AIS impact evaluations.....	5
School based research projects	5
c) Needs-based funding.....	6
Disadvantaged schools and students.....	6
Students with disability	7
d) Future funding.....	7
e) Reporting and accountability for State government funding.....	7
f) Wrap-around services	7
Concluding Remarks	7

Introduction

The Association of Independent Schools of New South Wales (AISNSW)

AISNSW as the peak body representing the independent school sector in New South Wales, welcomes the opportunity to contribute to the Legislative Council's Inquiry into measurement and outcome-based funding in New South Wales schools.

The NSW independent school sector is vibrant and diverse, providing the community with choice and contributing to improving standards of education in NSW. The independent school sector in NSW has more than 500 schools and campuses, educating 204,000 students and accounting for 17% of NSW school enrolments. Of the total enrolments in non-government schools, 48% of students are enrolled in independent schools and 52% in Catholic systemic schools. Two-thirds (65%) of independent schools in NSW are in lower socio-economic status communities. In addition, many independent schools are small and have low fees, with almost half (45%) educating fewer than 200 students. In NSW, 37% of independent schools are located outside of metropolitan Sydney.

Enrolment changes in NSW and the role of the independent school sector

Across all school sectors in NSW, student numbers are expected to increase by 269,000 students by 2031, an additional 21% growth on current enrolments.¹ In the Camden area alone, the number of young people aged 5-19 is expected to grow by 123% by 2031.² Meeting the increasing enrolments across the State will be a collective effort from all three school sectors. The independent sector is committed to working collaboratively to address the enrolment growth over the next decade.

Over the last five years, enrolments in the NSW independent schools sector have grown by 20,000 students, or 12%, which is almost double the state's percentage growth in enrolments. Enrolment growth in the NSW independent sector has been consistent for more than twenty years, with most of this growth attributable to the significant increase in the number of low fee independent schools. Research commissioned by AISNSW calculates that between 2016 and 2031 the independent school sector is anticipated to accommodate 38% of the overall growth in student enrolments, an increase of 74,808 students attending independent schools.³

Parent and community involvement in independent schools

Independent schools are not-for-profit institutions founded by religious or other philosophically based groups in the community. As a result, parent and community involvement in school accountability is a consistent feature of the independent school sector. Independent schools in NSW have a school council or board, providing an oversight mechanism of school operations. Indeed, many independent schools are operated by parent or local community or faith-based groups.

Independent schools are communities of students (present and past), their families as well as the broader local community, with these extensive networks fostered through extra-curricular, after-school and weekend activities. This strong involvement by parents and the community in school operations provides transparency and leads to increased community confidence and ownership of schooling and the education of students.

Overview of the AISNSW submission

The NSW independent school sector supports that Government and taxpayers are entitled to transparency on the use of public funds and confidence that this funding is delivering appropriate educational outcomes. However, funding alone does not ensure outcomes are achieved. There are many factors that influence a student's educational outcomes, including disposition to learning, parent involvement and peer effects⁴. Any

¹ Schools Infrastructure NSW, 'The School Infrastructure Challenge', accessed at <https://www.schoolinfrastructure.nsw.gov.au/about-us/The-school-infrastructure-challenge.html>

² McCrindle. (2016). 'NSW Student Enrolments 2031', p.17.

³ McCrindle. (2016). 'NSW Student Enrolments 2031', p.15.

⁴ Hattie, J. (2003). 'Teachers Make a Difference, What is the research evidence?', *Australian Council for Educational Research*.

schooling performance measure needs to be directly linked to variables within the control of the school. There is the potential that linking funding to outcomes may also produce unintended consequences, such as teaching to a narrow section of the curriculum.

Needs-based funding linked with national and state reforms that are proven to deliver student outcomes should be supported. Full implementation of a needs-based funding model should be delivered to ensure certainty of funding for schools. AISNSW engages in impact evaluation processes to prioritise programs and initiatives that are enhancing student outcomes and aligning with government priorities. One of the measures of success of the independent school sector is growth in student numbers. Fundamentally, if parents or caregivers are unsatisfied with the quality of the school in delivering educational outcomes, they will withdraw their child in an education consumer market.

a) Outcomes of education

NAPLAN, PISA, TIMMS and PIRLS

NAPLAN, PISA, TIMMS and PIRLS are a point in time measure of academic performance limited to literacy, maths & science. Every student should have sound knowledge, skills and understanding in these areas. It is difficult to comment, however, on the performance of the NSW independent school sector in NAPLAN without publicly available sector comparative data.

In PISA 2012, NSW independent school students scored significantly higher than the national and state averages, demonstrating the effective use of funding by NSW independent schools. While directly comparable data is not available, commissioned research shows that consistent with the national figures, NSW independent schools have a higher proportion of high performing students making them competitive with top performing jurisdictions internationally (see Figure 1 below).⁵ When students' socio-economic background was taken into account, students in independent schools still performed at a significantly higher level than the national average.⁶

2012 PISA: mathematical literacy for selected jurisdictions

Jurisdiction	Mean Score	% Top Performers	% Low Performers
Shanghai-China* ¹	613	56	4
Singapore* ²	573	40	8
Hong Kong China* ³	561	33	9
Chinese Taipei* ⁴	560	37	13
Korea* ⁵	554	31	9
Independent schools NSW	546	**	**
Independent schools Australia	541	23	9
Finland* ¹²	519	15	12
ACT all schools	518	18	16
Canada	518	16	14
Catholic schools Australia	514	14	14
NSW all schools	509	17	19
Australia* ¹⁹	504	15	20
Victoria all schools	501	12	20
New Zealand	500	15	23
United Kingdom	494	12	22
OECD average	494	12	23
Government schools Australia	489	13	25
United States	481	9	26

*Ranking in 2012 PISA.

**Directly comparable data is not available for NSW Independent schools.

Figure 1: 2012 PISA mathematical literacy comparison

⁵ Marks, G. (2016). *Academic achievement in NSW independent schools*.

⁶ Marks, G. (2016). *Academic achievement in NSW independent schools*.

2015 PISA focused on science literacy. Analysis of these PISA data show that NSW independent schools continue to be considerably ahead of the OECD and national averages, with an average score of 548 (see Figure 2 below).

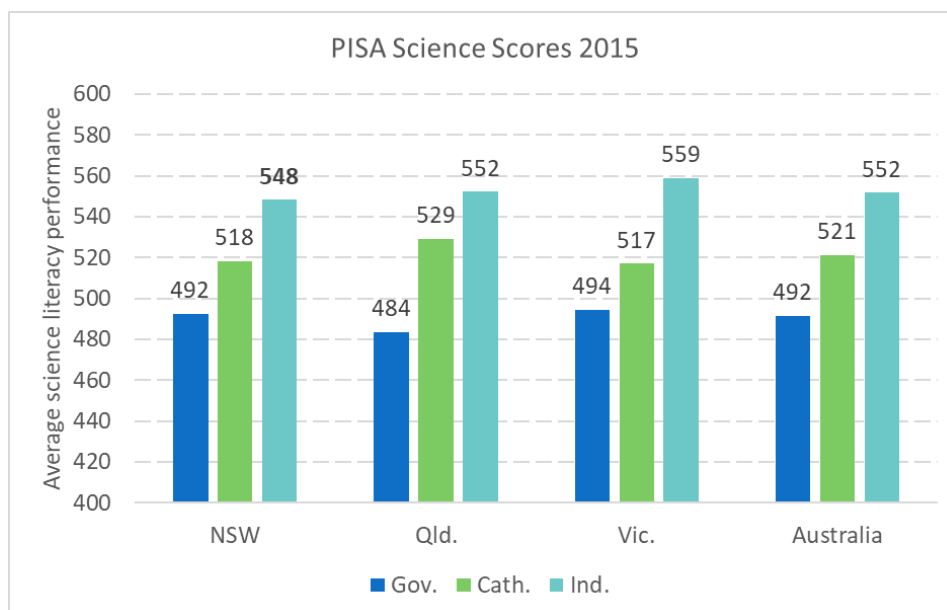


Figure 2: 2015 PISA science literacy comparison

Broader outcomes of schooling

The outcomes of education and the purposes of schooling are broad. While the development of knowledge and fundamental skills such as literacy and numeracy are essential, the Melbourne Declaration on Educational Goals for Young Australians is clear that the purpose of schooling is beyond academics. The current review of the Educational Goals focuses on preparing students for unknown future. How could schools be measured on this? The intrinsic value of schooling is the development and growth of well-rounded people capable of making a worthwhile contribution to the community. To educate young people to be actively engaged in a world that we cannot presume to predict, the development of capabilities and dispositions such as creativity, empathy and critical thinking, are becoming equally significant as the development of subject-specific knowledge. These capabilities should be encouraged by governments as contributing to important outcomes of schooling. AISNSW acknowledges the government funding support provided to assist all schools to focus on national and state educational priorities, particularly the ongoing commitment to improve the literacy and numeracy of students. Foundational elements to learning such as literacy and numeracy remain crucial in the education of children and young people and equip students to participate in the broader community.

b) Outcome measurement in NSW independent schools

As Hattie identified, the quality of teaching is the greatest in-school determinant of student outcomes⁷. The independent sector supports impact evaluation, and the assessment of programs to ensure educational outcomes are being met. Translating research into practice at the point of need to build capacity within schools is a fundamental component of support for schools within the independent sector.

⁷ Hattie, J. (2003). 'Teachers Make a Difference, What is the research evidence?', *Australian Council for Educational Research*.

Capacity building

Through the AISNSW School Improvement Service,⁸ participating independent schools build capacity across critical elements that constitute effective school improvement within their own context. Over a three-year cycle, schools are supported by AISNSW to engage in and embed rigorous school improvement processes with a focus on strengthening teacher capacity and enhancing student academic, wellbeing and life outcomes. One large metropolitan school participating in the School Improvement Service identified that achievement and growth in student performance had plateaued. Through a three-year school improvement process, the school used data to identify priority areas for improvement and developed critical targets and goals with specific measures of impact. As a result of the strategies implemented, student performance in NAPLAN increased (see Figure 3 below) and Year 12 retention increased from 60% (2014) to 87% (2016).

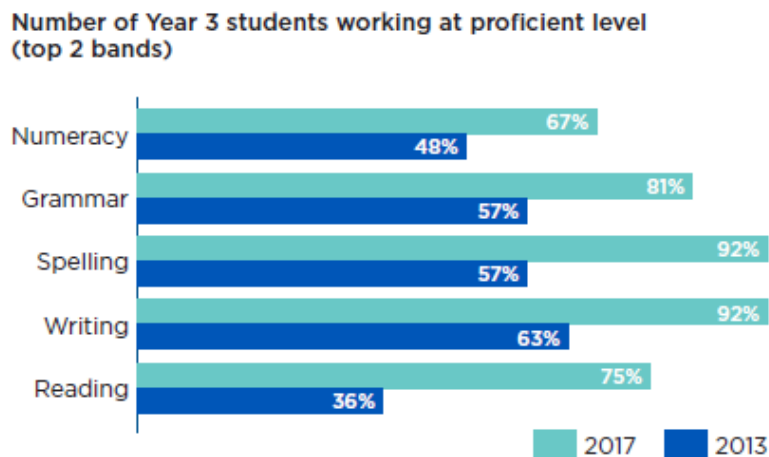


Figure 3: Student growth in NAPLAN testing before and after involvement in a three-year school improvement process at a large metropolitan school

A regional NSW school participating in the School Improvement Service identified an existing culture of low expectations and sought to shift the achievement curve to ensure every student was experiencing growth. By rigorously analysing school data and implementing evidence-based improvement strategies, the leadership team moved the school from reliance on rigid programs to a dynamic process that placed a focus on the students as learners, using learning outcomes and analysing student progress. As a result, the school increased the percentage of Year 9 students achieving Band 7 and Band 8 results in NAPLAN (see Figure 4 below).

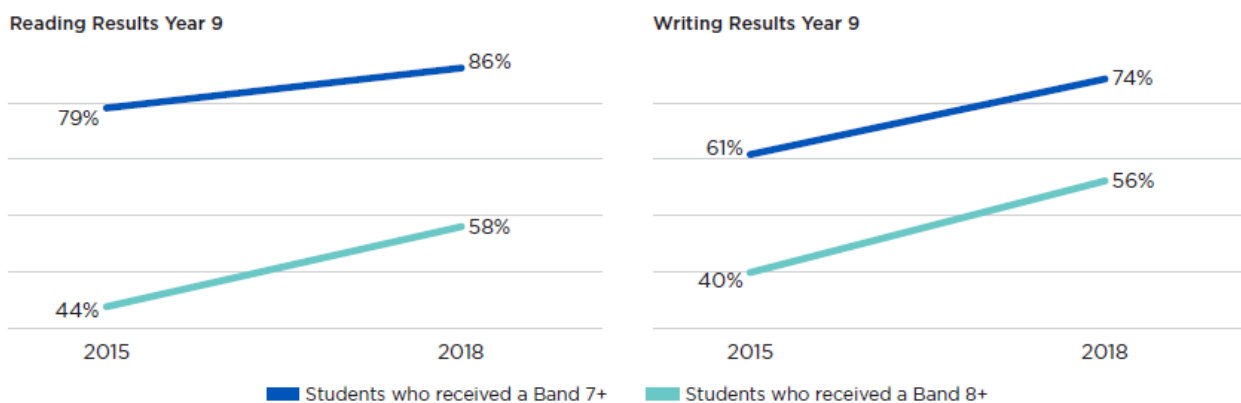


Figure 4: Year 9 student growth in NAPLAN testing before and after involvement in a three-year school improvement process at a regional NSW school

⁸ The AISNSW School Improvement Service is a three-year program for participating schools to embed rigorous school improvement processes, supported by AISNSW.

AIS impact evaluations

The AISNSW Research to Practice Initiative supports school teams to use evidence-based inquiry methods to interrogate professional practice. AISNSW has conducted an internal evaluation of this initiative to ascertain its impact.⁹ Findings highlight the considerable impact participation has on the teams involved, but also on the wider school community in terms of improved syllabus knowledge, programming and planning, pedagogical practices and content knowledge, and student engagement and learning. Results support the widely acknowledged understanding that research engagement is a highly impactful professional learning practice.

AISNSW has developed an app, ESTA-L[®], to assist teachers at independent schools to map students' phonological awareness and phonics skills. These skills are fundamental to ensuring all children learn to read, particularly students in Kindergarten to Year 2. This app quickly assesses and instantly tracks individual student and whole class performance. Using the ESTA-L[®], evidence shows that those students undertaking AISNSW Early Literacy Project are achieving impressive results.

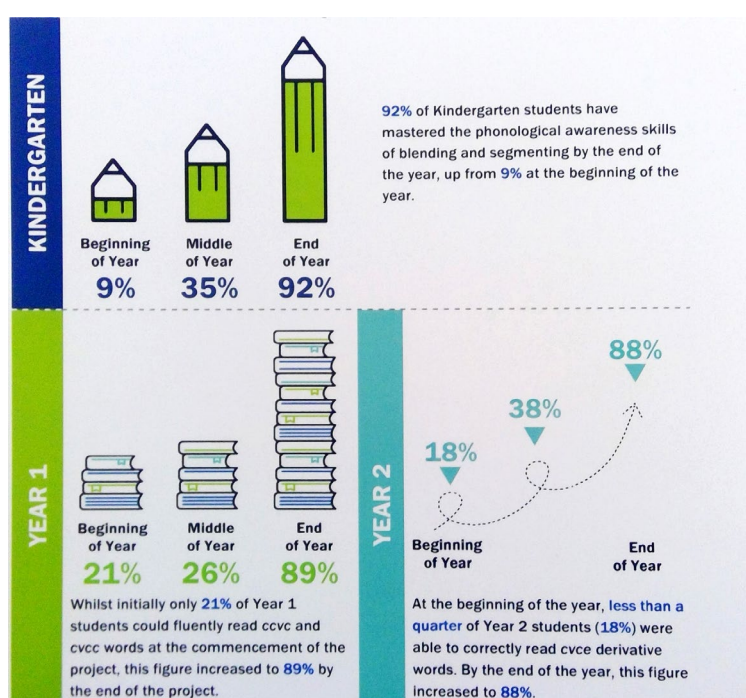


Figure 4: Results of Early Literacy Project

School based research projects

Each year AISNSW provides support and funding for schools to undertake extensive two-year research projects, awarded through a competitive application process. An external evaluation, encompassing five years of projects, found that not only did individual research projects have notable and long-lasting impact on the teaching practices of teachers and strategic work of schools, but that results contributed to broadening the academic conversations about school improvement, teacher effectiveness and the role of practitioner research in bridging the research to practice gap.¹⁰

⁹ AISNSW. (2019). *Research to Practice Initiative: Impact Evaluation (2018 cohort)*.

¹⁰ Lambert, P. (2018). *School-based research program review report*. AISNSW Education Research Council.

c) Needs-based funding

In NSW, funding is allocated to schools under a needs-based model which is grounded on a concept known as the School Resourcing Standard (SRS). The SRS is an estimate of the public funding a school requires to meet the educational needs of its students. The SRS consists of a per student base amount, with six loadings based on the student composition (e.g. Aboriginal and Torres Strait Islander students and students with disability) and school characteristics (e.g. school location and size). For independent schools, the base amount is reduced according to a school's socio-economic status (SES); the higher an independent school's SES score, the lower the base amount and accordingly, the lower the SRS. Under the needs-based funding model, NSW Government recurrent funding for non-government schools will be 20% of a school's SRS. Full implementation of a needs-based funding model will not be complete until 2029.

In non-systemic independent schools, State government funding goes direct to schools in a 'pure' application of needs-based funding arrangements, ensuring that the students who need the most support are receiving it.

The agreement between the NSW Government and the Australian Government on co-funding education (the *Bilateral Agreement between NSW and the Commonwealth*) has been detailed in legislation under the *Australian Education Act* and *Australian Education Regulations*, in accordance with the *National School Reform Agreement* (NSRA). The NSRA specifies that investment in schools is distributed according to need and tied to the implementation of reforms proven to lift student outcomes. National reforms proven to lift student outcomes are identified in the NSRA, with state-specific reforms articulated in the Bilateral Agreement.

Reform Direction A of the Bilateral Agreement requires that all school sectors in NSW meet the needs of students at risk of educational disadvantage. This includes students with disability, Aboriginal students, students with low English proficiency and students in rural and remote areas. In the independent sector, needs-based funding supported by evidence-based reforms proven to lift student outcomes ensures that students and schools that need it most are supported by government.

Disadvantaged schools and students

The NSW Government has recognised the need to identify and provide funding for schools with educationally disadvantaged students who need assistance with literacy and numeracy. NSW funding for the Phase 2 Literacy and Numeracy Action Plan has been critical in improving outcomes for students at risk of not meeting minimum literacy and numeracy standards by focussing on supporting school-based instructional leadership to maintain a focus on diagnostic assessment, differentiated teaching and tiered interventions. Under the Phase 2 Action Plan, all participating independent schools are showing significant student improvements in their literacy and numeracy results, with 6 schools publicly identified by ACARA as high gain schools based on their 2018 NAPLAN results.

Aboriginal and Torres Strait Islander students

In the independent school sector, the AISNSW Improving Outcomes for Aboriginal and Torres Strait Islander Students project is supporting independent schools to develop and deliver school-wide and individual learning strategies for Aboriginal and Torres Strait Islander students and cultural competence for school leaders and staff through evidence-based pedagogy, quality teaching and leadership and innovation. External evaluation of the two-year Phase 1 of the project by the Jumbunna Institute for Indigenous Education and Research, University of Technology Sydney indicated that the wide-ranging cultural engagement and student welfare strategies implemented across all participating schools enhanced the educational outcomes for students. Findings demonstrated that each school succeeded in improving students' literacy and numeracy outcomes. Other academic outcomes were also apparent, including increased student engagement with learning, increased student confidence in their own learning capabilities, improved student self-management of learning (such as goal-setting, independence, time management and prioritisation skills) and increased aspiration for success both at school and in future education.

Students with disability

In continually improving the quality assurance, moderation and support for the Nationally Consistent Collection of Data on School Students with Disability (NCCD), independent schools across the State are being supported to strengthen teacher professional judgment to make consistent and reliable decisions about student's level of adjustment. Principals and school leaders are reporting enhanced understanding of the Disability Discrimination Act, Disability Standards for Education and the NCCD through explicit professional learning, facilitation of the collaborative planning process and moderation within and across schools. It should be highlighted that the independent sector has actively sought to improve the accuracy in the identification of students eligible for funding within the sector which has led to a decrease in the number of independent school students receiving the students with disability loading.

It should be highlighted that in addition to students with disability in mainstream classes, the NSW independent schools sector includes a total of 76 special schools and special assistance schools.

d) Future funding

The new needs-based funding model will not be fully implemented until 2029. This follows unprecedented levels of scrutiny and public debate on education and schooling. It is important that schools are provided funding certainty to assure appropriate planning processes.

e) Reporting and accountability for State government funding

Independent schools are subject to extensive reporting and accountability requirements to agencies including NSW Department of Education, NSW Education Standards Authority, the Australian Government Department of Education and the Australian Charities and Not-for-profits Commission. Already, there is significant overlap in Commonwealth and State requirements that independent schools are required to meet. The independent schools sector is working closely with cross-sectoral colleagues on the Accountability Consultation Group established by Minister Mitchell and is strongly supportive of the intention to strengthen accountability for non-government schools and reduce unnecessary duplication.

f) Wrap-around services

Independent schools are hubs of their communities, providing extra-curricular opportunities and personalised learning for students, and are often the first port of call for families. In the independent sector, the importance of schools knowing their students underpins the holistic approach to support the needs of students. Schools lead an environment that is responsive to broader changes and the needs of their unique contexts. In the continuum of prevention and intervention, the importance of student wellbeing within a school context cannot be overstated, particularly with increasing prevalence of youth suicide.

Concluding remarks

AISNSW acknowledges the need for visibility between funding and educational outcomes. Due to a lack of evidence that outcomes-based measures are effective, AISNSW cannot support such an approach at this stage. Linking outcomes to funding could have unintended consequences for schools, particularly the deprioritising of educational outcomes that are not directly linked to payments or the reduction of teacher focus on students unlikely to meet outcome metrics or the selective enrolment of only students likely to achieve outcome metrics.

Any outcomes-based funding approach could potentially lead to instances where the students and schools that need the most educational support lose out on funding, entrenching disadvantage through a cyclical process of punishment. Where schools are enrolling students who continue to be at risk of not meeting educational

outcomes, these schools should be supported with programs and initiatives to increase their performance. AISNSW has demonstrated the effectiveness of supporting schools to improve student performance through projects identified in this submission. Continuous improvement and high expectations of all students is fundamental to meeting government priorities and preparing students for their future.

Across the education sector, schools require certainty of funding to effectively plan and deliver educational programs for their students.

AISNSW supports additional investigation in outcomes-based approaches and will continue to utilise impact evaluations in program activity to ensure that effort remains in those areas which are improving student outcomes.