

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

**Name:** Name suppressed

**Date Received:** 29 August 2019

---

Partially  
Confidential

**Inquiry: Inquiry into measurement and outcomes-based funding in New South Wales schools.**

**Submitted by: Teacher within the NSW public school system**

Introduction .....	2
Definition – Outcomes-based funding .....	2
Needs-based funding .....	2
Parliamentary comments in relation to funding.....	2
What are we trying to achieve? .....	3
Standardised testing .....	3
Improvement culture in schools .....	3
Disadvantaged schools.....	4
Equity and excellence .....	4
Quality teaching and quality teachers .....	4
Common themes in high performing disadvantaged schools .....	5
Common issues affecting disadvantaged students.....	5
Outcomes.....	7
Performance management of teachers (including bonuses).....	7
Conclusion and recommendations .....	8
Bibliography .....	9

## **Introduction**

The government should be applauded for wanting to ensure investment is producing the desired outcome. However, the government should be considering needs-based funding with additional targeted non-judgmental support (not necessarily funding) to schools that are not achieving expected growth rather than outcomes-based funding. Targeting funds to results instead of need can have unintended consequences. (Bousfield, 2019).

The concept of performance based pay for teachers underplays the collegial nature of teaching. Even if a cohort achieves above average growth, this may be due to the previous years' classroom teacher(s), classroom teacher, the Head Teacher, the school culture or a combination of all of the above. Who should get rewarded? It is impossible to tell. As such, performance based pay would have a negative effect on school team functionality as well as potentially minimising vital teacher roles, such as the teacher's impact on student wellbeing and whole of school activities.

## **Definition – Outcomes-based funding**

Unfortunately, the parliament has not defined the term “outcomes-based” funding, which makes it more difficult to have a concrete discussion as varying perceptions will be involved.

## **Needs-based funding**

Currently the funding model is geared more towards needs-based funding, particularly in line with the Gonski report. The challenge with the needs-based funding model is that there is very limited, if any, accountability in terms of results achieved with the additional funding.

## **Parliamentary comments in relation to funding**

The government clearly has concerns that the needs-based funding model has not been delivering improved outcomes for students. In the SMH (18 June 2019), the NSW Treasurer Dominic Perrottet was reported as saying that “departments will be asked to explain how they are using taxpayer funding to improve outcomes, starting with education.”<sup>1</sup> In relation to Gonski funding, Mr. Perrottet was reported in the SMH (19 June 2019) as saying, “This has seen record real increases in our education budget but we need to ensure this is matched by a corresponding increase in education outcomes.”<sup>2</sup>

Joseph notes that “Nevertheless, during this time, Australia's school results have either stagnated or declined on international standardised tests, and there is no evidence of improvement in education equity.” (Joseph, 2019, p.3). The fundamental reason for this is a lack of connection between individual improvement projects and any requirement to demonstrate improved outcomes. Part of the challenge is the lack of metrics that we have relating to student growth (apart from NAPLAN every two years). There needs to be a low-pressure computerised assessment tool available to students and staff to facilitate being able to regularly demonstrate achievement so that staff have data to inform practice.

---

<sup>1</sup> <https://www.smh.com.au/national/nsw/perrottet-unapologetic-we-are-not-here-for-the-teachers-federation-20190618-p51yto.html>

<sup>2</sup> <https://www.smh.com.au/politics/nsw/concrete-outcomes-schools-to-justify-record-funding-increase-20190618-p51yyi.html>

### **What are we trying to achieve?**

"Some students and schools from lower socioeconomic backgrounds are successful, but limited research has been done on how this success has been achieved." (Joseph, 2019, p.1). It seems then before funding is targeted to results, there needs to be funding for additional research looking at successfully-performing disadvantaged schools to understand what is required to allow students to perform well in a disadvantaged school. It is worth noting that all school systems experience performance decrements based on social disadvantage (Joseph, 2019, p.1) and as such we need to be careful about what we are trying to achieve and how we attempt to achieve it.

If we are trying to improve education, rewarding high-performing schools with additional funding, as suggested by Mark Latham (Garfield, 2018), is not going to assist in improving the outcomes for students in the lower-performing schools. The funding needs to be targeted to those schools that need the assistance. However, funding should not be additional unallocated money, rather in targeted assistance. "Consultants", paid on performance, need to be allocated to under-performing schools to assist school leadership teams to identify the reasons for the lack of performance within the context of that individual school. A plan needs to then be designed with tied funding as required and associated improvement targets for student outcomes identified. The consultant should then assist the school with the implementation and monitoring of the plan to ensure success. Ideally, these should be 5 year plans with yearly target goals which need to be reported against at the end of each school year. The consultant could be an existing school leader with demonstrated success in school improvement, or a team of people including university researchers and school based staff with experience in school improvement. If implementing the team approach, the team could work with a number of schools simultaneously.

### **Standardised testing**

There is an argument that standardised testing correlates with a decline in educational outcomes (Bousfield, 2019), however this can't be attributed to standardised testing alone. The issue lies in how the data is used by schools, organisations, government and parents. NAPLAN and the HSC provide some excellent data to schools, many of whom disregard the data because of intrinsic bias pushed by the Teachers Federation.

One of the challenges of standardised testing is the identification of students as performing below-average. It is vital that teachers are provided with the tools, such as growth mindset training, to ensure that they communicate a growth mindset to students rather than a fixed mindset, so that students don't become entrenched in the lower levels, but see the opportunity to improve.

### **Improvement culture in schools**

There is a requirement for public schools in NSW to develop strategic plans. However, in my experience, these are done at the executive or Principal level and may have very little impact on the school. There needs to be a constant improvement culture at teacher level, which I believe only exists in sporadic pockets within the NSW public schools.

Low FOEI schools need to be accountable for implementing evidenced-based methods to improve student performance. There also needs to be a greater level of engagement with the Centre for Education and Statistics Evaluation (CESE) which is producing some excellent data-informed papers on teaching excellence.

AITSL has also produced tools, such as the classroom continuum, to assist teachers engage in the professional standards. However, these tools are not required to be used by teachers in their performance development discussions and are typically used only by more motivated teachers.

### **Disadvantaged schools**

Disadvantaged schools are disadvantaged primarily based on the community in which they are located as this is a measure of socio-economic and other measures of the local community.

However, this is further exacerbated by school choice. If students are attending a NSW public school, they should have to attend the closest school rather than travel to other schools. Well off students choosing not to attend more socially disadvantaged schools, only increases the disadvantage. Consequently, NAPLAN results should not be made public.

It is concerning that the media release refers to the concept that disadvantaged schools should become formerly disadvantaged schools (NSW Legislative Council, 2019). This shows a lack of understanding of the community-based nature of the Family Occupation and Education Index (FOEI). The FOEI is the index used to determine the disadvantaged status of a school (CESE, 2014). It doesn't predominantly improve by great teaching.

### **Equity and excellence**

Equity is an important concept in education, ensuring that all students have the opportunity to succeed regardless of their postcode or socio-economic status. However, we need to ensure that equity doesn't become the enemy of excellence (Peterson, 2019). It is no accident that as the focus on equity has increased the results (excellence) has decreased. This is partly because the concept of equity is predicated on the gap between the low performers and the high performers. This focus on reducing the gap doesn't allow for excellence to flourish. The measurement of equity needs to be restructured around looking at above expected growth for these students, whilst still expecting above expected growth for the high-achievers as well!

### **Quality teaching and quality teachers**

There seems to be a perception within the Teachers Federation that a call to increase the quality of teaching implies that teachers are not good enough, rather than seeing it as a rationale for continuous improvement.

There is a performance development framework within the department, however it is too open and doesn't require teachers to assess their teaching and look at areas to target to improve with a consequent comparison to improvement in outcomes. Again, a large component in this is the difficulty in obtaining reliable growth figures for students that can be linked to performance improvement targets.

Raising the ATAR does assist in attracting higher-performing students to teaching courses, however, it is only one part of the equation. Students are turned away from teaching because, particularly in the STEM fields, they can earn much higher salaries in industry. There needs to be a substantial increase to teacher salaries if this is to be addressed.

### **Common themes in high performing disadvantaged schools**

**School discipline:** Creating a positive culture with an orderly, safe learning environment (Joseph, 2019, p. 7) is key to an effective learning environment. The challenge is where an individual teacher has to try and build this in their own classroom when it is not replicated across the school. This is an example of where the degree of growth affected in a classroom is not just a product of the individual teacher but also of the school culture as a whole.

**Direct and explicit instruction:** Although direct and explicit instruction has its place in the teacher's toolkit, it is not the only tool that needs to be utilised. Direct and explicit instruction, can lead to students being unable to generalise the knowledge and skills gained and is unlikely to build the 21<sup>st</sup> Century learning skills that are required by our students in a dynamically changing workforce. "An analysis of PISA results by McKinsey found the most effective teaching involves a combination of mostly direct instruction with a smaller amount of enquiry-based learning" (Joseph, 2019, p.8)

**Data informed practice:** Data is only as good as the way it is used. Schools need to be held to account by the school directors to ensure that there is a sophisticated and comprehensive data analysis across the school by all stakeholders, particularly requiring teachers to assess data collaboratively. Additional tools to assess growth would be invaluable, as this is often difficult to measure against expectations as is done every two years with NAPLAN.

**Teacher collaboration:** Teacher collaboration is vital but is not consistent across NSW schools. Teachers need to be given time away from face-to-face teaching to facilitate collaborative review and the time to observe lessons to contribute to the review.

Schools are required to have school plans, but in my experience these were developed by a small group of people and never became a working document. The school planning process should require faculties to develop faculty plans to support the school plan, and then teacher plans should be part of the performance development framework to identify the role the individual teacher has in implementing the school plan and what professional learning they may need to support their role. This plans need to be monitored for success and need to have a section addressing improvement of student outcomes.

**Teacher professional learning:** The performance development framework needs to incorporate a review of teacher strengths and weaknesses based on observation and reflection. (This should not be used as a formal performance review). From this review, the teacher should, in conjunction with their supervisor, identify professional learning opportunities with specifically targeted outcomes. Teachers should have to write a professional learning implementation and review plan to ensure that professional learning achieves the desired results.

Latham commented (Garfield, 2019) that we know what works in schools, referring to Hattie's research. The reality is, although we have some knowledge, there is a lack of research in this area (Joseph, 2019, p.1) and there remain some question marks over the accuracy of Hattie's research methodology. It is vital that when implementing best practice it always done within the local contextual framework.

### **Common issues affecting disadvantaged students**

(NB: The emphasis on the inquiry is at a school level, however, disadvantaged students are found in all schools and need to be adequately supported and funded).

**Attendance:** School attendance is a vital indicator for high performing students. It is very difficult to learn at school if the student is not there. School's certainly have a function in assisting increase school attendance, but not all attendance issues are resolved at a school level. This is certainly not a classroom teacher's function, but will dramatically affect value-add for the class over the course of the year. A student with problematic behaviour who is in class irregularly makes classroom management much more complex than a class whose composition is fairly consistent across the year.

**Trauma:** If students are experiencing, or have experienced, significant trauma their ability to engage in learning is severely impeded. Trauma-informed teaching is a relatively new endeavour that needs to be rolled out across NSW schools.

**OOHC:** Out of Home Care students have significant additional learning needs due to their trauma and complex living arrangements. There needs to be additional training for teachers in the additional needs of these students.

**Homelessness:** Students who are experiencing homelessness require additional support. Whilst homeless, although they may be attending school, their academic growth is generally going to be severely limited.

**Family breakdown:** Family breakdown is likely to increase trauma and may impact the ability of students to engage in learning outside of school.

**Financial issues:** Schools are able to assist students with financial needs to a certain extent, however, low-socioeconomic families are often reticent to ask for assistance. The concept of providing some type of government assistance to allow all families with school aged children to be able to have internet access at home is also becoming more vital for students to be able to access all the resources available, particularly in rural Australia.

**Domestic Violence:** Domestic violence is becoming an increasingly common issue and can have severe impacts on students leading to trauma and possible homelessness.

These types of issues require additional specialist support in schools. In particular, school counsellors are overworked and often shared between multiple schools. Everything but the smallest High Schools need to have access to on-site mental health and social work support, either through school counsellors, or supplemented with on-site headspace resources. For rural students, accessing headspace can be highly problematic, particularly if there is a lack of parental support, as the nearest office may be over an hour away (and there is no public transport to get there).

An additional consideration would be whether schools can be funded to support families to provide good home-based education in the years prior to school to help reduce the educational gap with which students begin school.

Where there are a large number of students in a class with these types of issues, the class will not achieve expected growth (value add) in academic results. However, a teacher may make huge gains with the class which will reap positive growth benefits years down the track in the student's schooling.

### **Outcomes**

When attempting to measure outcomes there needs to be a combination of lead and lag indicators. The purpose of this is to effectively measure that the strategies which we know work are being implemented successfully and then the lag indicators (outcomes) to ensure that the changes had the desired effect.

It is vital that outcomes are measured in terms of growth as well as in absolute terms. For disadvantaged schools, students are typically starting school at a much lower level than more advantaged schools. As such the absolute outcomes will be worse with students performing in lower bands, however, growth should be above expected growth.

In discussions on outcomes, it must be realised that we are arguing for equality of opportunity, not necessarily equality of outcome. There will be some students in the top 10% and some students in the bottom 10% no matter how good the education system is.

One of the problems with outcomes is the aspects that are typically not measured carefully such as student wellbeing. It also needs to be ensured that schools with high turnover of staff due to toxic environments are not deemed successful because of student results. Teacher wellbeing is also important to the health of the whole system.

### **Performance management of teachers (including bonuses)**

There can't be a discussion of outcomes-based funding without considering the impacts of outcomes-based performance management of teachers.

This has been raised as a possibility on many occasions and adamantly opposed by the Teachers Federation for good reason. At present, we just do not have appropriate metrics to be able to adequately determine how well a teacher is performing. Poorly implemented performance measurements will have a drastic effect on the collegial nature of teaching as well as the way teachers approach their work. It will also affect the desirability of schools for teachers. Teachers are likely to want to teach at schools where there is a greater percentage of teachers receiving performance bonuses (Meador, 2018). If it was realised that individual bonus payments are not appropriate, then possibly school (team based) performance bonuses for teachers may be considered. Again this creates the potential to make it less desirable for teachers to teach in low- performing schools.

When I first started teaching I thought along the lines that were suggested by Mark Latham, "I think there's a demoralising element there if you get the same amount of money regardless of performance." (Garfield, 2019). However, after teaching for a while I realised that it is just not that simple. For instance, I use to lead a team of teachers who supported other teachers in the integration of technology into their classroom practice. How would that factor into performance pay? How would performance pay be managed where classes are taught by more than one teacher?

I taught a year 9 class which had extremely complex classroom management issues. The year 8 teacher, a Head Teacher, had not been able to get the class to work. I succeeded in getting the class to work as well as identifying a number of child welfare issues that needed to be addressed but it took two terms to inspire the students to apply effort to their learning. As a result, their growth for the year would have been less than expected growth for a year, however together with the students we had made major gains in their ability to now commence learning. The likelihood is the teacher who had them the following year, would reap the growth benefits of all the work that had been done the previous year and



so the next year's teacher would get the performance pay. This would drive teachers to try and avoid having the more difficult classes. Currently, the least experienced teachers are typically given the most demanding classes, performance based pay would only further exacerbate this poor use of resources.

Once it is recognised that a school is a community and that it is not just one individual teacher that makes the difference, then performance pay has to be seen as inappropriate for the teaching profession. Performance pay also fails to adequately take into account factors beyond the teacher's control (Meador, 2018).

It has been noted that teachers have a remarkably complex job that is not just about student outcomes. For instance teachers have a large impact on student wellbeing. Would this be included in the measurements? If it is not, then there is the potential to dilute the role of teachers by redirecting them to focus on results only. (Meador, 2018). Additionally, Ingvarson (Ingvarson, 2017,p.15), notes that "a scheme that relies on one form of evidence is unlikely to be reliable" and further refers to research that suggests there is no evidence that "pay-for-performance" improved student outcomes. Research that has been done has produced divergent results between schools even within the same study (Henman & Gable, 2015, p.72).

If performance based pay were to be introduced, Ingvarson notes that scepticism amongst teachers seems to be reduced if they are involved with the construction of the metrics (Ingvarson, 2017, p.16).

### **Conclusion and recommendations**

It is recommended that:

1. The department develop computerised tools to assist teachers and schools to measure growth at the beginning, middle and end of the year in literacy and numeracy, initially, with further subject based development to be released in a later stage. This needs to be done in a fairly informal manner, to remove from the hysteria associated with NAPLAN.
2. Low performing schools (not teachers, initially) be identified.
3. Consultants, or teams, be assigned to each low-performing school to analyse the factors leading to low-performance within the school's context and develop a 5 year plan to rectify issues. This should then attract targeted funding.
4. Phase out non-targeted additional funding to be replaced by outcome-improvement targeted funding.
5. Disability needs based funding for all schools should be considered separately and needs to be tied to improved outcomes for the student with disability.
6. Performance-based pay not be implemented.
7. Ensure that outcomes are growth focused and include measures relating to wellbeing, 21<sup>st</sup> Century Learning Design and academic achievement.

## **Bibliography**

Baker, J., (2019 June), Perrottet unapologetic: 'We are not here for the Teachers' Federation', Retrieved from <https://www.smh.com.au/national/nsw/perrottet-unapologetic-we-are-not-here-for-the-teachers-federation-20190618-p51yto.html>

Bousfield, K., (2019 June), NSW budget: giving schools extra money only if they meet 'outcomes' can hamper teaching standards, Retrieved from <https://theconversation.com/nsw-budget-giving-schools-extra-money-only-if-they-meet-outcomes-can-hamper-teaching-standards-119087>

Centre for Education Statistics, (2014), Family Occupation and Education Index (FOEI) 2013, Retrieved from [https://www.cese.nsw.gov.au/images/stories/PDF/FOEI\\_Technical\\_Paper\\_final\\_v2.pdf](https://www.cese.nsw.gov.au/images/stories/PDF/FOEI_Technical_Paper_final_v2.pdf)

Garfield, R., (2019), Exclusive: Mark Latham on teacher performance-based pay, incentivised school funding and graduate teacher standards, Retrieved from: <https://www.educationreview.com.au/2019/08/exclusive-mark-latham-on-teacher-performance-based-pay-incentivised-school-funding-and-graduate-teacher-standards/>

Henman, P. & Gable, A., (2015) "Schooling" performance measurement: The politics of governing teacher conduct in Australia, Policy and Society, 34:1, 63-74, DOI: 10.1016/j.polsoc.2015.02.002

Ingvarson, L., Kleinhenz, E., and Wilkinson, J., (2007), Research on performance pay for teachers. <http://research.acer.edu.au/workforce/1>

Joseph, B. (2019), Overcoming the Odds: A study of Australia's top-performing disadvantaged schools, Retrieved from <https://www.cis.org.au/app/uploads/2019/03/rr39.pdf>

Meador, D., (2018), Performance Based Pay for Teachers, Retrieved from <https://www.thoughtco.com/performance-based-pay-for-teachers-3194701>

NSW Legislative Council, (2019 August), Media Release: Inquiry into measurement and outcome-based funding in New South Wales schools, Retrieved from <https://www.parliament.nsw.gov.au/lcdocs/other/12330/Media%20release%20-%20outcome%20based%20funding%2019%20AUG%202019.pdf>

Peterson, J., (2019), Make no mistake.[twitter], Retrieved from <https://twitter.com/jordanbpeterson/status/1159128714816438274?lang=en>

Smith, A., (2019 June), 'Concrete outcomes': schools to justify record funding increase, Retrieved from <https://www.smh.com.au/politics/nsw/concrete-outcomes-schools-to-justify-record-funding-increase-20190618-p51yyi.html>

Smith family, (2016), Improving the educational outcomes of disadvantaged young Australians, retrieved from <https://www.thesmithfamily.com.au/~media/files/research/reports/research-disadvantaged-young-australians-learning-for-life.ashx>

Stevens, B., (2019), *Diversity, inclusion and anti-excellence: A former dean of the Yale Law School sounds a warning*, Retrieved from <https://www.nytimes.com/2019/08/02/opinion/university-campus-diveristy-inclusion-free-speech.html>