# **REPORT ON PROCEEDINGS BEFORE**

# **PORTFOLIO COMMITTEE NO. 3 - EDUCATION**

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

## CORRECTED

At Macquarie Room, Parliament House, Sydney, on Tuesday 8 October 2019

The Committee met at 11:00

## PRESENT

The Hon. Mark Latham (Chair)

The Hon. Wes Fang The Hon. Scott Farlow The Hon. Matthew Mason-Cox The Hon. Antony D'Adam The Hon. Courtney Houssos Mr David Shoebridge

**The CHAIR:** Welcome to the first hearing of Portfolio Committee No. 3—Education inquiry into measurement and outcome-based funding in New South Wales schools. This inquiry is examining the existing state of measurement in the New South Wales education system and consequences of introducing outcome based budgeting for schools. Before I commence, it is the custom of this Parliament to acknowledge the traditional inhabitants of this land, the Gadigal people of the Eora nation, and I do that with all due respect, as well as acknowledging other important contributors to the history of this site: those who constructed Parliament House very often working in a dangerous industry and the parliamentary staff over many decades who supported members of Parliament and made our work and representative role possible. We acknowledge and thank them all. Today's hearing is the first we plan to hold for this inquiry. We will hear today from Government representatives from the Department of Education and Treasury, representations from the Centre for Independent Studies in Catholic Schools, New South Wales. We will also hear from Dr David Roy from the University of Newcastle.

Before we commence, I will make some brief comments about the procedures for today's hearing. Today's hearing is open to the public and is being broadcast live by the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. I urge witnesses to be careful about any comments they may make to the media or to others after you complete your evidence, as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could answer if only they had more time, or with certain documents to hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Do not feel compelled to rush into things that are not established in your mind or in front of you, questions on notice are freely available. I remind everyone that Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. I therefore request that witnesses focus on the issues raised by the terms of reference of the Committee and avoid naming individuals unnecessarily in a negative way.

Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. secretariat. To aid the audibility of this hearing may I remind both Committee members and witnesses to speak into the microphones. The room is filled with induction loops, compatible with hearing aid systems that have tele-coil receivers. In addition, several seats have been reserved near the loud speakers for persons in the public hearing who have difficulty hearing. Finally, would everyone please turn their mobile phones to silent for the duration of the hearing.

SALLY EGAN, Relieving Executive Director, Centre for Education Statistics and Evaluation, New South Wales Department of Education, sworn and examined

MURAT DIZDAR, Deputy Secretary, School Operations and Performance, New South Wales Department of Education, affirmed and examined

LIANA DOWNEY, Deputy Secretary, Strategy and Delivery, New South Wales Department of Education, affirmed and examined

VINITA DEODHAR, Executive Director, Sector Outcomes and Performance, NSW Treasury, affirmed and examined

**The CHAIR:** It would be useful, if possible, for government representatives to make a short statement because the Committee received a submission from the Government which provided a lot of detail and, in many respects, was very interesting but for the Committee's purpose it became clearer in reading estimates. Supplementary question No. 378 stated:

How will the New South Wales Government's adoption of outcome based funding change the way the department operates and funds schools?

The answer was:

There will be no change to the way schools are funded and operated due to outcome based budgeting. The needs based resource allocation model which has been in place since 2013 will continue to determine full school funding.

That was not part of the submission but it clarifies an important point. At one time the Committee, having spoken to government political representatives, thought that outcome based budgeting would apply to individual schools. It now transpires this will be a relationship, according to that answer, between Treasury and the education department in a globo budget. It would be useful to get some clarity about that. What will it mean in terms of the types of performance indicators that the department is putting forward and the outcomes that are expected? In another answer to our colleague, the Hon. Mark Banasiak, mention was made that the performance issues to be addressed were literacy and numeracy results, attendance wellbeing and equity. Again that is information that was not actually in the formal government submission. Will you make a short clarifying statement about that to help the Committee at the start.

**Ms DOWNEY:** We would absolutely like to do that. I might first provide the opportunity for my Treasury colleague to share her perspective and then I will follow up with a response from the education department.

**Ms DEODHAR:** I will elaborate very briefly on what outcome budgeting reforms are that set the context to what is happening in education. Outcome based budgeting is one of the four pillars that this Government is implementing to ensure continued prosperity for the people of New South Wales. What it does is it effectively places the needs of citizens and the people of New South Wales in investment decision making. Outcomes budgeting is actually systematised use of performance information to inform and base budgeting decisions and make sure that all resource allocation has at its heart outcomes for the people of New South Wales.

The other thing it does is it expands its focus of budgeting to be limited not just to the incremental annual budgeting information but the entire base span that taxpayers are investing in the people of New South Wales. We move away from incremental budgeting to examining the whole base and how that is performing by way of outcomes. Outcome budgeting encompasses and integrates all aspects of performance accountability. Number one, it actually looks at outcomes based planning and goal setting. Number two, it looks at budgeting and resource allocation and how the allocation happens by way of looking at evidence on performance. Number three, it embeds a very strong performance management and performance reporting culture. All three of those elements: planning for outcomes, budgeting for outcomes and managing performance for outcomes, constitute the entire performance accountability system that we are implementing as part of outcome budgeting.

In terms of performance indicators across the sector, we are moving away from input based or activity based indicators to actually what does it mean by way of outcomes delivered for people? So if in the past we were looking at, let us say, number of students enrolled we would be looking at what have the results been for those students? If we were looking at quantity of services provided to certain vulnerable children or vulnerable family people it would be actually have the adverse impacts of those vulnerabilities gone down? I should point out that the reform is outcome based budgeting, not outcome based funding. In no way does it contradict or negate needs based funding, the topic of a lot of what we will be talking about. It is almost as one is a means to the other. Needs based funding is what the New South Wales Government has agreed to as part of the Gonski agreement with the

Commonwealth. It is about the money that comes in to the State education system. Outcome based budgeting then says how are you investing that to get all the right results by way of outcomes for the people?

When we started this reform three years ago we had 46 State outcomes. Both machinery of government changed in April as clusters had been consolidated to better align with the priorities of government. Clusters are examining those outcomes and performance indicators. All education clusters will be producing outcomes based business plan which very simply says: What outcomes will a cluster deliver? By when? What is the budget and how is that being aligned with the delivery of these outcomes? What are the changed initiatives and priorities that changes that a cluster and agencies will make to get from where they are to actually deliver it? Finally, it is about how will they in a very systematic purposeful way embed the performance arrangements between government and a cluster or Treasury and a cluster all the way down to where services are delivered? All of those aspects will be covered in a business plan. Education is the first department and that is what today's discussion is about.

**The CHAIR:** Can I just get clarity on the difference between outcome based budgeting and outcome based funding, because in the Parliament on 28 May the education Minister said that one of her priorities as Minister would be to ensure that we match education funding to outcomes? That naturally raised an expectation that we are talking about something more than outcome based budgeting. Inside the Government has it now been restricted to outcome based budgeting and is that best understood, really, as an accountancy measurement—a budget reporting mechanism—rather than something that actually changes funding, given that changes to funding can provide incentives and motivations for systems and institutions to change their performance for the better?

**Ms DEODHAR:** The reform has always been called "outcome budgeting" or "outcome based budgeting" and it encompasses a lot more than funding aspects. It looks at the incomings into the State, and it looks at investment of that for what goal, for what purpose and for what results. The funding, as I understand that, is one aspect of that but not the whole. As I explained, outcomes based budgeting encompasses all aspects of performance accountability. It is the actual outcome based goal-setting, and then looking at how funding or resourcing is supporting the delivery of those outcomes. It is actually also about looking at evidence based performance. It is looking at how performance accountability cascades all the way from Government, Treasury, the cluster, the ministry right down to point-of-service delivery. In terms of what the Minister said, probably that is something I best leave to Liana.

**Ms DOWNEY:** Thank you, Vinita. Just to help answer the question, I think these are really important conversations to explore and make sure that we have a good shared understanding. As Vinita touched on, in outcomes based budgeting there are elements of accounting—actually really quite fundamental and important elements around the way that the department thinks about its budgeting and where it is spending its resources. So historically, right across Government departments, budgeting has been done on the basis of looking at historical expenditure and then looking at the way demand might increase. What we are doing in the department for the first time this year is what is called "zero based budgeting"—going back to a kind of a zero based and building up a clear articulation of a case for change for each dollar spent, to be able to say how we can be confident that those dollars are going to improve students outcomes. So it is an accounting and really deeply important cultural shift—that is actually about building the capacity of everybody in the department to better understand and articulate, and make sure that we have evidence to support how everybody's work, and how every taxpayer dollar is going to support and improve student outcomes.

So it is the case that outcomes based budgeting is about how we spend our money—as a department, the programs and policies and systems that we invest in, that we provide support to schools through—but it is not the case that that becomes a punitive funding model for schools. Outcomes based budgeting is not a funding model for schools. The needs-based resource allocation model, which has now been in place for six years, will continue to determine funding for schools, as Vinita said. It is very important because under this model students living with disadvantage, with additional needs and complexity, will continue to receive targeted funding to ensure that schools can support effective learning for all students.

The CHAIR: If you are keeping the current school funding system, isn't that a continuation of the input based system, where the schools has defined needs, the Government pours money into that school? I cannot understand how you can go to outcome based budgeting—or subcomponent funding—without doing it for the unit of school outcome and performance. I am sure that for every citizen and parent in the State when they think of school performance they do not think necessarily of the department—they think of the school that is down the road or the one that their kids go to. They would think, "If there's going to be an outcome based focus it must be about the outcomes for that school." Can you answer that question and the one that flows from it: If the department is going to have these performance measures, will each school have performance measures as a subset of the departmental effort?

**Ms DOWNEY:** That is a great question and an important topic. I will give you a bit of context. Part of what we are doing is setting very clear aspirations for what we want to achieve for students. I think it is important to note that we are not talking about a narrow, single measure of student outcomes when we talk about student outcomes. We are considering broad measures of learning, wellbeing, equity and independence. So we are not just tracking whether students have strong foundations in reading and numeracy skills or that their grasp of the curriculum is growing year on year, although that is really important and we are doing that. But we are also asking: Do our students feel a sense of belonging at school? Is every child known, valued and cared for? We also want to ensure that all young people are independent and leave school well prepared for higher education, training or work. So we are also tracking what happens to them after they leave school. And, more broadly, we want to cement education's role as the great equaliser in our society—an institution with the power to radically improve people's lives.

So we are also tracking whether or not our system is reducing the impact of disadvantage. So we have set broad goals around student outcomes right across the system. That means that for every program we are looking at we need to be able to articulate a strong sense of whether we think that that is going to improve those outcomes. I will note that this is a journey. When you undertake a process to build the capacity of a system to focus less on whether we are spending the money that we have been tasked to spend and shifting to whether we are getting the outcomes that we want for our citizens and for our students. It takes time to build everybody's capacity to do that. But you have to start by being clear about what you want—what is it that we are aspiring to achieve? So we have set quite broad aspirations for the system.

Then, to your question of, "Are we asking schools to do the same thing?" Yes, absolutely. I will give you a bit of context and then I will pass to Murat to provide a little more context for exactly how those conversations are happening at a school-by-school level. Certainly, we are right in the midst of conversations with schools at the moment to talk to them about what their roles are in achieving those system wide aspirations, helping them contextualise around what is possible and where they should be aspiring. Those conversations will feed into ongoing discussions that those principals are having with their directors of educational leadership, and that we are having with those schools about whether or not they are doing what they need to do to improve outcomes for students in New South Wales. I will provide Murat an opportunity, maybe, just to give a bit more richness about what is happening in the school context.

**Mr DIZDAR:** Thanks, Liana. This might help the committee, Mr Latham. What we are about to do, coming into the next term, to set up the 2020 school year, is to systematically, right across every public school, look at five very important areas, and, with the school leadership, set aspiration in those five areas. Those five areas are the ones you referenced in terms of literacy and numeracy—reading and numeracy specifically. There is no educator who debates or argues that they are important scaffolds to have for young learners—that we want great success in both of those domains so that we can set up our learners for success across schooling. So we are looking at targets in those two areas to align with the Premier's priority of the top two NAPLAN bands in reading and numeracy—to increase that by 15 per cent across the system by 2023. And that goes to the commentary around the expanded Bump it Up initiative across the State. We have learnt a lot from the Bump it Up schools. The Committee might be aware that in 2016 we identified, in the public education system, 137 schools that had a large proportion of students in the middle bands in reading and numeracy, and great potential to shift those students. A lot of those schools met their target across that time period, so we are using the learnings from that process.

We are going to work with school communities to set aspirations around attendance—the third area. Every day counts in public education, and we know, through our data analysis, that our most successful learners it is not rocket science—also have very strong attendance rates throughout their schooling experience. We are also looking at wellbeing—do our students feel a sense of connection, a sense of advocacy and a sense of belonging in their school context? It is really important to have students connected so that they can succeed and thrive in their educational context. The fifth domain we are looking at is setting aspirations for each school community is around equity. We know that our Aboriginal student outcomes, our rural and remote outcomes and outcomes for certain contexts of low socioeconomic status [SES], are certainly not where they should be. We want to lift what that aspiration looks like.

So what that will look like is the system will have done all the heavy lifting. We will sit down with the leadership team, starting next term at every school, show them a range of aspirations for each of those measures that is respectful of the school's trajectory in those domains and also can show a school leadership team what similar context, what similar level of advantage or disadvantage, is producing by way of results in terms of the those domains. It is our experience that leaders not only want to know where they are and where they could get the school to but also what similar context across the State might be achieving or struggling with. We will

systematically in terms four this year—by the end of term one next year—for every school set aspiration collectively in a zone of achievement for literacy, for numeracy and for Aboriginal education alongside the Premier's priorities and then show a range of other measures that a school leadership might want to buy in on. By 2021 all of our schools will have a target that they are working towards in those five domains.

I want to say to the Committee that this is not new work. Schools have always had targets and aspirations in their school improvement plans. What is new here is the system doing the heavy lifting, not leaving that to chance on the ground, doing all of the data analysis and then sitting down with the school leadership showing what that looks like and agreeing on what that might look like. If the Committee is interested, we have just been piloting and some of that piloting has been very informative. We have had school leaders say to us: "The upper number you have set" because we are setting two numbers, a range "is nowhere near as ambitious as what we want to be." We have reflected on that and said that we will negotiate. We will tell you how we got to these numbers, showing you similar context, but let us renegotiate. We are quite excited by this in terms of having a great line of sight to how schools are going to be performing across a broad smorgasbord that is important for student achievement, for student connection, for student success that will allow the system to better support where schools are at.

**The CHAIR:** I have some questions from that answer. The five areas of target or aspiration have been defined that will flow down to each school. What about the other two that Ms Downey mentioned—grasp of curriculum and also outcomes post high school whether students get a job or go to university, TAFE or other choices they make in life? They were identified as important performance indicators. Will they be added to the list of five over time?

**Mr DIZDAR:** Yes, really important call outs. In the range of measures we have got we also know that for secondary schools, in particular, and having been a secondary principal myself I know what this looks like on the ground, that attainment is really important in terms of Higher School Certificate attainment, or whether it is technical and further education or employment, the optimal attainment for each and every child. So we do have attainment measures that are going to be shown to schools. It is certainly part of the Premier's priority for Aboriginal education where we know that we have got a long way to go to lift the Higher School Certificate attainment for our Aboriginal students across the State. The target is that we increase that by 50 per cent by 2023. We are showing that for our secondaries in terms of attainment. In terms of the top two bands and top three bands for Higher School Certificate attainment—

**The CHAIR:** Specifically, my question was: Why are post-secondary pathways and achievement part of the performance measures and also the notion of curriculum grasp not added to the five?

**Mr DIZDAR:** I am indicating that the post-secondary, the exit, where our students end up is part of the suite that we will be looking at.

The CHAIR: Where does that fit in? Which one of the five is that in?

Mr DIZDAR: It comes under-they are subsets of what we are showing. Our school is under literacy and numeracy.

**The CHAIR:** Is that a serious comment that you are making that literacy and numeracy measured over 13 years, it is very clearly post-secondary, as a second type of performance outcome that is defined by whether you go to university, further training, unemployment, employment? You cannot really say that is part of literacy and numeracy?

**Mr DIZDAR:** We are umbrella-ing it under those areas in terms of where we are setting the targets. Of course, as the Committee would know, this is a strong national wrestle where nationally we are looking at developing a unique student identifier so that we are better placed to track where our students end up. At the moment it is quite difficult. It is left to the careers adviser, the year adviser, the principal once they leave our school gates to ultimately keep track of where their students may have ended up. What course they may have gone into at university? What employment pathway they may have ended up at or what technical and further education? And a unique student identifier nationally would also help in this space. In terms of curriculum, I am not sure what you mean by that?

**The CHAIR:** Science, history, geography skills beyond literacy and numeracy—that is what I understood to be curriculum grasp that people have learnt the things that are devised in the curriculum. We hope over 13 years of instruction they have got a good grasp of them.

**Mr DIZDAR:** Definitely so and that goes to heart of the curriculum review that is occurring in New South Wales with an interim report imminent where there will be further consultation and ability to give input on that.

**The CHAIR:** That review is not a performance indicator, is it? It is not something that will be a measure of performance at each and every school in the State, it is a review of the curriculum. We are talking about outcomes from the curriculum that was mentioned earlier on under the umbrella term of "curriculum grasp".

**Ms DOWNEY:** If I might just add, at a system we look at a number of different measures. I will invite Ms Egan to perhaps weigh in a little bit and give you some broader context for some of the other measures that we look at. Obviously Higher School Certificate is an important indicator of curriculum grasp for us. We also are considering as part of the goals that we are setting across the system, interested as well in international testing to understand how we fare globally as many of our youth will compete on a global scale. We are also looking at measures of growth, expected growth, that we would expect over the course of a student's year and are students achieving that growth? There are a lot of different ways in which we are looking beyond individual measures of NAPLAN. I might invite Sally to give you a sense of some of the ways in which we—

**The CHAIR:** My last question is how will these performance indicators be measured? Literacy and numeracy, is that just NAPLAN or something else? How do you measure wellbeing which is a fairly nebulous type of concept, equity may be the same. I suppose attendance is fairly clear cut. Please provide some more information about the actual measurement techniques.

**Ms EGAN:** It is fair to say we would use NAPLAN initially for addressing and assessing our reading and numeracy simply because it has been an ongoing test and assessment for the last 10 years in this State. In addition to that though all schools would use other assessment data, formative and summative, that they have access to. An example of that, for instance, our NAPLAN in year 3 for us to look at school improvement in regards to reading and numeracy they would look at other assessment data that teachers have access to, because as we know, NAPLAN is only one point in one time and it only occurs every two years for a young person's life. Our teachers, to personalise the learning at the coalface, would obviously look at more assessment in teaching and learning to improve the individual learner.

In regards to the wellbeing, the Centre for Education Statistics and Evaluation [CESE] has always used the learning bar as an assessment tool, the survey tool. And that is enabling us to ensure that our students, parents and teachers respond to data called "Tell them from me". It is a heavily researched tool that we have been able to track ongoing where our students are seeking to really understand where their sense of wellbeing is and sense of belonging. Schools then triangulate what that looks like from a teacher, a student and a parent point of view and enable the schools to then make some targeted focus in regards to school engagement. That in itself allows the teacher and the school leadership team to address aspects of literacy or numeracy or other curriculum areas to think about student engagement.

**The CHAIR:** At what age do parents stop speaking for the student in your appreciation of wellbeing because obviously a five or six year old survey results will be pretty scattered, are they not?

#### Ms EGAN: Yes.

**The CHAIR:** At what age in your methodology do you start to think the parent and the student are speaking here in a way that can be relied upon?

**Ms EGAN:** Look, I prefer to take that question on notice, other than the fact that I do know that our schools and CESE continually ask our parents all the way through, because our commitment in public education is to ensure that a partnership is there. So we would seek our parents to respond to those questions all the way through their schooling, from the moment they commence to the moment they leave their schooling. From our experience, it has been reasonably consistent, whilst a student remains at school, to respond to those questions. And obviously looking at what the parents and students are saying assists schools to triangulate that data and make some informed decisions. In addition to that, schools would also facilitate focus groups and other things to go deeper, if and when required.

The CHAIR: And you will take that on notice.

Ms EGAN: Yes, thank you.

The Hon. COURTNEY HOUSSOS: I just wanted to follow-up to Ms Downey. You said that you increased your data collection, including tracking post school. How are you doing that?

**Ms DOWNEY:** Post school outcomes and independence is measured at the moment through a census measure so we can track school leavers participating in higher education, training or work. But as Murat touched on, it is an area where we said there is an opportunity to strengthen that measure. We would like to be able to report that for every single student and not just in the year after school, but in multiple years after school. To do so requires a student identifier that allows us to track across States and systems.

The Hon. COURTNEY HOUSSOS: Are you relying on the national student identifier?

**Ms DOWNEY:** No. At the moment we use a survey—a census measure which tracks the independence outcomes for students in the year after school. What I am suggesting is that, over time, what we would like to do, is increase the detail of that measure. We would like to increase the longevity of that measure. So we would like to see and understand what happens to students not just in the year after school but, potentially, six years after school. At the moment we cannot do that in the absence of a national shared identification measure. So that is something that is in progress. There are national conversations to put that in place, and that would support not just us but other jurisdictions to better understand that outcome. So at the moment we track that on the basis of a census measure.

**The Hon. SCOTT FARLOW:** Just picking up, for one second, on that student identifier number, are you saying that the ABS will be using that as well, in terms of their collection of data to track those students? How else would you be getting that data?

Ms DOWNEY: I could not speak for the ABS at the moment. At the moment is that students are surveyed through a census—

**The Hon. SCOTT FARLOW:** But in terms of an aspiration, what is your aspiration that will give you better data with a student identifier number? How will that be used if you are using the census statistics?

**Ms DOWNEY:** They would potentially differentiate. This would allow us to stay in touch with our students and survey them after they leave school, ourselves.

The Hon. SCOTT FARLOW: So you are doing that yourselves, with the student identifier number.

**The Hon. COURTNEY HOUSSOS:** That came out of Gonski 2.0—this idea that there is a national student identifier. Does the New South Wales Government have any direct plans to develop that, or are these just conversations that are happening at a national level?

Ms DOWNEY: These are conversations that are happening at a national level because they require national cooperation to be effective.

**The Hon. COURTNEY HOUSSOS:** I understand that. You specifically said that you are looking at increasing data collection and tracking post school. I am just interested to see if there is any specific efforts in New South Wales to do that. It sounds as though you are just going to continue to rely on census data. Is that right?

Mr DAVID SHOEBRIDGE: What does "looking at" mean?

**Ms DOWNEY:** It means we are in conversations, nationally, to participate in the development of a measure that would support national effective collection.

**The CHAIR:** The Wellings report, federally, has recommended this for university leavers as well. So it becomes relevant for policy at that level.

**Mr DAVID SHOEBRIDGE:** But I have to say, in conversation generally, to develop a strategy—I forget; there was another clause in it—it does not sound like anything is actually happening.

**Ms DOWNEY:** Right now we collect information about where student leavers are at. We use that information, and we are going to increase the use of that information and sharing back—

The CHAIR: How is that collected? Is that like an email from the school 12 months later to say, "What are you doing now?"

Ms DOWNEY: That is through a census. That is the ABS.

The Hon. SCOTT FARLOW: The ABS collects information.

The Hon. COURTNEY HOUSSOS: You say that these kids live in this particular area and, according to the census, this proportion of these children are going there.

**Mr DIZDAR:** We also, at the moment—this is far from ideal—rely on the leadership, careers advisor and year advisor, like I indicated. They do it through a range of ways—by telephone contact, by email contact, by sending out a survey. In my experience they relentlessly follow up on each and every one of their year 12 leavers immediately after leaving because they are keenly interested in what that exit outcome has looked like. They have invested heavily in that young child. We do not have a system instrument to be able to do that. It is a wrestle, like Liana is indicating, right across the country, because principals and school leadership teams want to know what has happened to that individual that they have invested in. We know from experience that young people change their pathways along the way. So how to keep track of that to have a good sense of our impact on their schooling is really important to us.

**The CHAIR:** So you are saying that schools are doing the tracking, now, informally, and you want to devise a formal instrument that beefs that up.

#### Mr DIZDAR: Correct.

**Ms DOWNEY:** My colleagues in skills have just done a very detailed piece of research to understand the pathways for school leavers at various different points and to understand not only where they go immediately when they leave school but what happens over the course of a number of years. So we undertake periodic pieces of research to look and learn everything we can to help inform policy making. But there is an opportunity to strengthen this at a national level.

**Mr DAVID SHOEBRIDGE:** If you rely upon students to fill in a survey—I don't know about you but when I left school I left school. I did not want to have any more to do with it at that stage in my life. And the likelihood of my filling in a survey that came to me from my careers adviser after I had finished the HSC was about zero.

The Hon. WES FANG: I would have done it.

**Mr DAVID SHOEBRIDGE:** You are a lovely guy, Wes. If you are relying on students to fill in a survey or answer a call from a careers advisor you are setting yourselves up to fail. That is a woefully inadequate system.

**Mr DIZDAR:** We would say that what you are indicating is the experience on the ground—that it is difficult to follow up relentlessly to work out where your year 12 exiters have landed. We are saying that it is far from ideal.

**The CHAIR:** What does your experience show at the moment? How many students are likely to respond to the school about where they have got to six months after—

**Mr DIZDAR:** School leavers, I am fairly confident in saying, in my experience in talking with them whether it is the principal, year adviser or careers adviser—are responsive. They tend to indicate what their pathway has looked like and—

The CHAIR: Seventy or 80 per cent—what are we talking about?

Mr DIZDAR: —what the contact also helps us with is the young person who is a bit lost straight after the HSC—

**The CHAIR:** Ninety per cent plus the greens?

**Mr DIZDAR:** —who does not have an outcome that they have landed on, and we are able to put wraparound support on. So I think that personalised contact does help.

The CHAIR: Can you give us an indication? Is it 10 per cent, 50 or 90 per cent?

Mr DIZDAR: I would not want to give incorrect information to the Committee.

The CHAIR: Can you take that on notice and maybe give us some feedback, because schools are doing it now.

**The Hon. ANTHONY D'ADAM:** There are two processes being undertaken, aren't there? There is the current maybe verbal contact from the careers adviser, and then there is the census instrument that you are relying on. So there is actually two mechanisms. And one is a distributed system—is that right? So careers advisers are not necessarily centrally reporting that information, or are they?

**Mr DIZDAR:** They are not centrally reporting, no. What I would be able to come back to the Committee with would be some examples of what that looks like.

The CHAIR: Thank you.

The Hon. COURTNEY HOUSSOS: I just wanted to come back to-

Ms DEODHAR: Vinita.

**The Hon. COURTNEY HOUSSOS:** Thanks very much. You can call me Courtney; that's easy. In the Catholic schools' submission to the inquiry they told us that the experience of outcomes based funding in New Zealand and Scotland had significant challenges. I wanted to see whether, before undertaking to begin outcome based funding, did you or did the New South Wales Treasury look into those outcomes?

Ms DEODHAR: I am not sure that I understand the premise of your question. Are you saying that New Zealand Treasury—

The Hon. COURTNEY HOUSSOS: New Zealand and Scotland implemented outcome based funding. According to the Catholic schools' submission that had "significant challenges". Those were their words. Did the New South Wales Treasury look to New Zealand, Scotland or anywhere else before saying that they were going to do outcome based funding for the education system?

**Ms DEODHAR:** I should first of all clarify the point I made earlier, that we are not doing outcome based funding here. It is outcome based budgeting, which, as I explained, is a much broader concept, and entails all three aspects of performance accountability. And we have looked globally at how outcome based budgeting is being advanced across countries. I am across the literature on that. So I could not say what the Catholics' issues are with New Zealand Treasury's outcome based funding model. The funding that we have for the Education Department is what the State has, and as part of our Gonski 2.0 arrangements, and the agreement we have signed with the Commonwealth, it puts forward what that amount is. That is locked in. That is not changing. This is about saying, "How do we make the right investments to make sure that that funding, along with the entire base of what the State is investing, leads to the desired outcomes?"

The Hon. COURTNEY HOUSSOS: The example that you gave in the New South Wales Government submission was moving away from traditional outputs—for example, a new school—and towards the outcome that citizens care about, which is giving our children the best chance of success. I would argue that citizens care about both of those outcomes: getting a new school and giving the kids the best chance of success. Can you give me an example of where the two might not line up?

**Ms DEODHAR:** I think we need to go to some of the outcome measures that Ms Downey and Mr Dizdar have talked about. What we are doing currently with the Department of Education is examining what would be the best measures of student achievement outcomes across academic achievement and all other achievements and domains that they are talking about, including transitions into higher education or jobs et cetera, then going back and seeing: For that to be delivered, how are the current investments configured? It may well be that new schools is the answer in certain areas, so I do not see that as a contradictory issue. There will be areas where new schools and investment in the schools is necessary, and that is going to continue; that is not going to change. But it is actually about saying, for example, investment in digital, investment in information technology—how is that being made to enable increased chances of educational success for students? Going back to your question, I do not see a contradiction between those. I think it is about leveraging the investment and making sure that you are basing those investment decisions in terms of value for money, evidence, returns and doing the full analysis and diagnostics for that.

**The Hon. COURTNEY HOUSSOS:** I have a couple of questions for Ms Egan. I am happy if you need to take them on notice. Can you tell me how many full-time staff you have?

**Ms EGAN:** I might need to take that on notice. I know I have seven director positions in CESE and we would have approximately—yes, I will take that on notice. There are some part-time and some that come on secondment from school and others. So I would need to look at that.

The Hon. COURTNEY HOUSSOS: And where are you primarily based?

Ms EGAN: At the Parramatta office.

The Hon. COURTNEY HOUSSOS: Do you communicate directly with schools or do you do that through the department?

Ms EGAN: Through the department.

**The Hon. COURTNEY HOUSSOS:** You said in the New South Wales Government submission that you have invested in data collection and data warehousing capabilities and created a business intelligence system for education. Is this a new system for the collection of data?

Ms EGAN: Yes. Well, it commenced a few years ago.

The Hon. COURTNEY HOUSSOS: What is it called?

**Ms EGAN:** It is called Scout and it is accessible for our three sectors, but in regards to public education and access that our schools have access to. If I am a principal at any one of our schools, on the front dashboard of the tool I can look at my attendance, my targets, my literacy and numeracy, my value-add data, my sick leave in regards to my staff and so on. That enables a principal, as you can imagine, to become very data literate. That is one of the great challenges we have got ahead of us as we move forward in this space, and that continues to grow the capacity behind that. When we look at aspects of literacy and numeracy, for instance, or HSC minimum standards, a teacher can go into that tool and link all of those items—whether it is HSC or NAPLAN—to the curriculum and then teaching and learning activities to inform their teaching practice. So it is certainly a tool that is enabling our teachers and our principals to use data to inform their practices.

The Hon. ANTHONY D'ADAM: In terms of the integration—on attendance, for example, will it integrate with LMBR or with Sentral?

#### Ms EGAN: Yes.

The Hon. ANTHONY D'ADAM: Is that a live, real-time integration?

**Ms EGAN:** We have made sure that the Sentral data—not all our schools are attached to Sentral, which is one of the tools. But we have certainly tightened that up and been able to more recently make sure that all schools use the two tools—two or three tools; I do not know the names of all of the tools—so that they are cleansed and placed into the Scout tools so that they can track the student attendance and whether they have taken leave and other things.

The Hon. ANTHONY D'ADAM: And that is done in real time, is it?

Ms EGAN: Yes.

The Hon. COURTNEY HOUSSOS: Has that been totally rolled out to every school?

Ms EGAN: Yes, it has.

The Hon. COURTNEY HOUSSOS: When was that done?

**Ms EGAN:** The Scout tool? That has been in existence for a few years and that followed on from the tool previously, called SMART, that was only used in regards to NAPLAN cross-sectorally. Scout was initiated by the Department of Education to enable the National Education Standards Authority [NESA] to transfer the data from NESA to our public schools.

Mr DAVID SHOEBRIDGE: What is the Programme for International Student Assessment, or PISA?

**Ms EGAN:** That assesses our students every three years in regards to reading, numeracy and science. It only assesses a small number of students and the challenge that has, as you can imagine, is it is a range of students and it varies from each time students are assessed. It is facilitated by the Australian Council for Educational Research [ACER] in Victoria, so we do not have access to all of the data.

Mr DAVID SHOEBRIDGE: But I assume it assesses a statistically reliable sample?

Ms EGAN: Yes, of course.

Mr DAVID SHOEBRIDGE: How many does it do? What is the margin of error, do you know?

Ms EGAN: No, I do not know that.

**Mr DAVID SHOEBRIDGE:** But it is probably one of those few testing tools that can compare New South Wales schools to, say, the OECD average. Is that what it is used for?

Ms EGAN: Yes, it is.

**Mr DAVID SHOEBRIDGE:** There is a national proficient standard, which is a three-domain average. What is a three-domain average?

**Ms EGAN:** That would be in regards to different aspects of their learning, so just the three domains of their testing: so the three domains in regards to reading, numeracy and it could be writing or it could be different domains in their testing. In PISA it would be those three areas.

Mr DAVID SHOEBRIDGE: So it is testing students across a variety of different categories.

Ms EGAN: Yes.

**Mr DAVID SHOEBRIDGE:** In a world that is pretty sparse in terms of comparative data, the comparative data on the PISA testing that is contained in your submission is deeply troubling, is it not?

**Ms EGAN:** Yes, and we certainly recognise that, Mr Shoebridge: that we are behind in that area in New South Wales. So we are working quite deliberately to address that. That is why it is an exciting time to be in public education, with the reforms that we are addressing to—

**Mr DAVID SHOEBRIDGE:** You classify it as exciting. That is, of course, one way of categorising it. When we have got a table that shows the percentage of students who achieve the equivalent of the national proficient standard for Australia based on that three-domain average using the PISA testing, when we have got a table that shows the outcome—the OECD average is sitting around 57 per cent to 55 per cent and the New South Wales outcome has, I would say, collapsed from 2006, when 68 per cent of students met it, to 2015 where only 58 per cent of students met it. I assume that this is three-year data cycles so I assume there is some 2018 data.

Ms EGAN: Yes.

Mr DAVID SHOEBRIDGE: What does the 2018 data show?

**Ms EGAN:** We do not have access to that yet. But what we do know with the work that we are doing in literacy and numeracy and the VALID assessment, that will also assist us, because the VALID assessment that is facilitated through CESE is the mandatory science assessment facilitated in year 8. And that will assist us to give us data in regards to looking at our 15-year-olds and where they are at in regards to their science. So that will also assist us to think about how we can improve these results.

**Mr DAVID SHOEBRIDGE:** There was a collapse between 2012 and 2015. Not just a slump—a collapse. It went from 63 per cent to 58 per cent. That is not a 5 per cent drop; that is closer, given the numbers, to a 10 per cent actual drop. It was a collapse between 2012 and 2015. Why did that happen?

Ms EGAN: Would one of my colleagues like to respond to that? I was not with the department.

Mr DIZDAR: Mr Shoebridge, the data is concerning for us.

Mr DAVID SHOEBRIDGE: Yes, but I want to know why.

**Mr DIZDAR:** There is no way of cutting or looking at that any differently. It is data that we are looking at at a system level. We are of the view that having firmer system architecture in place that can support schools to have greater line of sight to how they are tracking in literacy, in numeracy, in these key areas will help lift a school in its performance and help lift the system to realise where they need to lean in and provide better support. This is a conversation that is not unique to New South Wales; it is a conversation nationally around PISA as an external testing instrument. The results are not good.

**The CHAIR:** In that regard, some of the States and Territories were fairly stable; it is New South Wales that has had the biggest drop. Are we looking at what other states are doing that has produced a much better result, particularly Victoria and the Australian Capital Territory, which I think are ahead of us in PISA in just about every domain? Western Australia and Queensland are catching up as well.

**Mr DIZDAR:** In looking at our evidence-based approach, Ms Egan talked about the Scout resource and the material there, what we are doing around school improvement and target setting, what we are doing to try and strengthen and enhance teacher quality and strengthen and enhance school leadership. We are forever in the market to look at what international best practice might look like or where success may be generated at the national or international level. I think good systems do that and we have been doing that in developing what is our school leadership strategy and in our work around teacher quality.

**Mr DAVID SHOEBRIDGE:** By all means let us have this conversation in two parts, if we can. Let us look at what you are doing forward to respond to it. That is fine, we will look at that. For the first part can we concentrate on what has gone wrong? What has changed between 2006 and 2015 that has seen that collapse? What changed to produce that? Obviously, it is not more of the same, what changed?

**Ms DOWNEY:** I think it is actually difficult to take those in two pieces because obviously as we look at the reform strategies that we have put in place now to improve performance going forward it is looking at where we think there are opportunities to improve. If I can talk to you about the things that we think there are real opportunities—

Mr DAVID SHOEBRIDGE: No. I was very clear.

**The CHAIR:** Ms Downey, you need to answer the question. If the answer is the department does not know what has changed you should say that. Talking about what is happening for the future is not directing the honourable member's question to an answer.

**Mr DAVID SHOEBRIDGE:** Trying to flip it in your answer is not useful because I consciously tried to stop that happening in my question. What changed between 2006 and 2015 that saw that collapse?

**The CHAIR:** If the answer is the department is still working that out or the department does not know, that is what the department should say.

Mr DIZDAR: We do not have any easy answers to that.

Mr DAVID SHOEBRIDGE: What has changed it?

Mr DIZDAR: We do not have any easy answers to that.

**Mr DAVID SHOEBRIDGE:** Are you trying to find it out? Just looking at what is going forward is great but you cannot work out what you have got to fix unless you can work out what has gone wrong.

Mr DIZDAR: As the Committee would appreciate, this is a sample of the system across the system.

**Mr DAVID SHOEBRIDGE:** Yes but I tested that earlier and that is why I asked all those questions so you would not try to avoid the accountability by saying it is about sampling and statistical. We agree it was statistically valid. We know there is an error rate but as you have agreed it is statistically valid, so we have shut that gate. Tell us what has gone wrong.

**Mr DIZDAR:** I am not trying to avoid it at all. Part of the dilemma with this international testing instrument is how our students view it when they are sitting as a sample every three years. How they can see it is relevant to the teaching and learning occurring on a daily basis. So that is a contextual challenge that we have with the testing instrument. But again we are not unique in that way. It goes to the reasons why we are looking at strengthening our support as a system around literacy, numeracy, attendance, wellbeing and equity. We believe they are the areas we need to invest in for every student in the public education system to lift these results.

**Mr DAVID SHOEBRIDGE:** Answers that are generic-speak but do not tell us what is going on do not assist me. So a variety of generic statements about you are looking this, you are doing this and you have got all these positive vibes and feels for the future do not assist. I want to know what has changed and none of you are assisting me. What produced that collapse? If you cannot assist me, just say it.

Mr DIZDAR: What I think we are saying to the Committee is that we are not happy with that performance measure.

Mr DAVID SHOEBRIDGE: Join the club.

**Mr DIZDAR:** We are looking at why our students may not be taking that testing instrument as seriously as we would like and what we might do as a system across the board, knowing it is a sample, to lift performance in key domains.

**Mr DAVID SHOEBRIDGE:** I have got to say I am totally unpersuaded by the argument that students are taking the test less seriously in 2015 than they were in 2006 and that explains the problem. I find that argument deeply unpersuasive. Unless you have got some evidence to suggest that students in 2015 were just flicking this test but in 2006 they were deeply committed to it, I find that answer next to useless.

**Mr DIZDAR:** No, I am not suggesting that at all. I said it has always been a component of test challenge for this particular instrument. So you are right to point out in 2006 the results were a lot stronger in New South Wales than in 2015.

**Mr DAVID SHOEBRIDGE:** Let us not hide behind student motivation, let us not hide behind statistical unreliability—we can agree that is not the problem here. There is a problem, and I want to know why, and you are not helping.

**Mr DIZDAR:** We are of the view that we need to give greater support and line of sight to the key areas that can lift performance in the system.

The CHAIR: I think we have covered that as best as it is going to be covered unfortunately. Ms Downey, does this go to the heart of the problem with New South Wales schooling that the results are disturbing and they are going backwards? As parliamentarians and as parents and as citizens we all hear of good intentions that this is being looked at or this school is being urged to do better or this school has got a new aspiration but there does not appear to be any centralised mechanism through incentives or disciplines or coercion or whatever it takes to actually force an upgrading of schools to adopt best practice which is well established by CECE and others and to ensure that every school is a best practice learning school in New South Wales? Is it true that noble intentions and nice people are not delivering the results we need as a State?

**Ms DOWNEY:** We share your sense of urgency. I want to talk to you about what we are doing to improve outcomes for students in New South Wales. Quality teaching is an absolutely fundamental lever. It is the most important lever as we know for improving outcomes in a school. In New South Wales we are substantially raising the bar for teachers. We are putting in place new recruitment standards that will set very high standards for teachers in New South Wales. We are working to improve the status of the profession. We know that attracting highly talented, highly capable people into what is a very complex profession—a profession that is not consistently recognised as being as absolutely fundamental and critical as it is—into New South Wales/

We are doing a number of things. We have communicated to universities. For students who are starting this year there will be a range of different ways in which we measure incoming teachers. We will be looking at grade point average [GPA] and credit averages for those teachers. We will be looking at behavioural and capacity testing. We will be putting in place some of the highest standards to recruit incoming teachers anywhere in the country in recognition of the fact that we need the very best people in front of our students.

We are also doing substantial work to strengthen the rigour and quality of the professional development that we provide to teachers in the system at the moment. This is not a unique challenge to Australia. I have worked across a number of different education systems and I know that historically professional development programs for teachers have not had the same rigour that you would expect to apply. So there is massive work underway at the moment. We are quality assuring every single professional development program that we run and we are putting in place mechanisms that will help be very clear indicators to us about which of the programs that actually improve student outcomes.

In the past a lot of the assessment that was provided for professional development programs was based on teacher feedback about whether they enjoyed the programs: we do not think that is enough. We want to know where our teachers are at when they come into those programs, what is their base level of knowledge, has that knowledge changed and is it followed up in terms of changed practise. We also know that professional development does not happen in the course of a seminar. It happens in the classroom. So we are working to provide leaders with the skills and capacity to make sure they are providing the right kind of coaching. It is not to say it does not happen now, it does happen, but it is not happening systemically enough.

**Mr DAVID SHOEBRIDGE:** Has it been a fall in teacher standards that led to the reduction in student results? Is that your initial observations or initial view that teacher standards have fallen and that is what has produced the worst results? If so, concentrate on teacher standards?

Ms DOWNEY: We believe that quality teachers are the most important lever we have and need to be higher.

Mr DAVID SHOEBRIDGE: That is not my question.

The Hon. WES FANG: The witness is answering the question.

Mr DAVID SHOEBRIDGE: My question is: Do you believe-

The Hon. SCOTT FARLOW: To be fair, they have given several answers that there is no easy answer to this so teacher standards is obviously part of it.

**Mr DAVID SHOEBRIDGE:** I am just asking whether a fall in teacher standards is one of the reasons there has been a fall in the results. Do you believe a fall in teacher standards is one of the reasons there has been a fall in the results?

**Ms DOWNEY:** It may be but we cannot definitively answer one root cause or another. We do believe absolutely firmly that raising the quality of teachers in our schools in New South Wales would be to the benefit of students in New South Wales.

**Mr DAVID SHOEBRIDGE:** But if you do not know what has caused the problem that may be not fix the problem. It is obviously good. We all support increased teacher standards but if that is what has caused the problem in the reduction in educational outcomes it will not fix it. That is why I come back to: what is the problem?

Ms DOWNEY: We believe that there is an opportunity to strengthen the quality of teaching in schools.

The CHAIR: I know it is frustrating for Mr David Shoebridge but I think we have explored that as far as we can.

**The Hon. MATTHEW MASON-COX:** I want to focus on benchmarking and best practice and draw it down to some examples. We have had the bump it up success story. When did bump it up start?

**Mr DIZDAR:** Bump it Up was a strategy that we commenced in 2016. Like I indicated to the Committee, we identified, on datasets, 137 of our schools in the area of reading and numeracy that had a large percentage of students in the middle bands, and great potential to uplift.

The Hon. MATTHEW MASON-COX: So you started in 2016—

Mr DIZDAR: Yes.

**The Hon. MATTHEW MASON-COX:** —and Ms Egan would have taken statistics about the success of that over the course of time. It started as a pilot program with those schools and after the first year you got some results and realised that it was quite successful. Was that your conclusion?

**Ms EGAN:** That is correct. That is no different to what we are trying to roll out now with the new targets. So we know what works best in those schools. We have had teachers putting faces to the data for every single one of their students in regard to reading and numeracy. So we recognise which schools were working in regard to best practice and we looked at the leadership, the instructional leadership, the resources being used in those schools and what support we were providing.

**The Hon. MATTHEW MASON-COX:** So, at the end of 2016 you had, if you like, a sort of baseline of data and that showed an improvement across the board. I suppose there was some variation in that.

Ms EGAN: Yes, there was.

**The Hon. MATTHEW MASON-COX:** But you had a pretty clear picture that that was successful in the first year. I just wonder what the thinking was behind rolling it out. When did you start to roll it out to other schools outside the initial pilot group?

**Mr DIZDAR:** We shared the resources and expertise with all our schools, apart from the 137. Going back to 2016 there was a key CESE research piece called What Works Best—what works best to lift student performance. We shared that research and evidence.

The Hon. ANTHONY D'ADAM: Is that report in the public domain?

Ms EGAN: Yes.

**Mr DIZDAR:** Yes, it is. What we are now doing is rolling out the approach from the pilot that we learnt across the State.

The Hon. MATTHEW MASON-COX: When did you start the roll-out?

**Mr DIZDAR:** As I said to the Committee earlier, we start that next term in terms of the five target areas and domains that we unpacked for the Committee.

**The Hon. MATTHEW MASON-COX:** What I am concerned about is that you started Bump it Up in 2016. We are here in late 2019. If the urgency is to improve standards, how do we get these programs that clearly work out into schools more quickly so that we can raise the standards? I am wondering about your function, Ms Egan, and the interconnection with the department and ensuring that when you find a good program, how you get it out there and ensure that it is adopted as quickly as possible.

**Ms EGAN:** Initially the research, What Works Best, has enabled all our schools to engage in the professional learning that sits behind the research that is available to all our schools. We have case studies that highlight that—whether it is the high expectations feedback, student engagement, classroom management and so on. So we know what works best in regard to those areas and now we are working heavily at supporting the schools with tailored support to address each context quite differently if need be, to address aspects of reading and numeracy in the first instance.

Once the targets roll out—they are transparent in term 1 next year—each school will be supported by their director of educational leadership. There is a one-20 ratio. Whilst they are doing that, they will be triangulating that school excellence framework, about where we are at with our data literacy, our classroom practice and our learning culture, and then using that alongside the research. In regards to that, different schools will choose different programs, but fundamentally they are mandated to teach the New South Wales syllabus. That is, first and foremost, what they will do.

**The Hon. MATTHEW MASON-COX:** How much independence do principals have in terms of choosing the programs that they believe will work best in their school—for example, whether they take on Bump it Up?

**Ms EGAN:** All schools will have access to the target-setting process. So all schools, by term 1 next year, will have a Bump it Up target in terms of reading and numeracy, for instance, and the Aboriginal targets and so on.

## The Hon. MATTHEW MASON-COX: Are they forced to take on that program?

**Ms EGAN:** No, I would not like to think they are forced. It is collaborated with their director. Schools have always had targets of some sort. This is in addition to that and, as part of our collaboration with each of our principals, we will be working with them to establish a target in regards to the reading and numeracy.

The Hon. MATTHEW MASON-COX: So they are strongly encouraged to take on the program.

Mr DIZDAR: The targets will be required by all our schools.

**The Hon. MATTHEW MASON-COX:** What I am trying to get at here is, when you have a good idea, how do you quickly roll it out without getting caught in asking people permission? How do you get things done?

**Mr DIZDAR:** Like Ms Egan was indicating, we case study those sites that are, in my words, punching above their weight in student performance. We certainly share the ingredients of what that success looks like. If it goes to the specifics of whether it is a particular reading initiative or a numeracy initiative that may have impact—the data is showing us that it is having impact in a range of contexts or settings—then we make sure that the professional learning that the system provides is in line with that evidence based approach. Early Action for Success has been another great example where we have learnt, in 526, or thereabouts, of our schools, that an instructional leader model—an expert—in literacy and numeracy, who is hip-and-shoulder in classrooms with the practitioners every day, supporting their growth, strengthening their capacity to be better and more effective teachers, has enormous impact.

We know that that is an initiative that has worked, and we have been upscaling that initiative by helping schools create their own instructional leader roles by embracing them in the professional development offerings. I think you are right though: The constant challenge that we have is to stay sharp on the evidence base, to bring that evidence base to the fore in a contextual way with sites that are doing really well, and then to look at how we might offer professional learning in that area. And to do that in an expedient way is very important.

**The CHAIR:** So it is essentially based on good will and hope. What happens to a school that does not meet its targets—that does not implement best practice and ignores the CESE evidence and fails its students?

**Mr DIZDAR:** A school that is not performing well may be not performing well on a range of measures. It might not be performing well on student performance indicators. You might have a school culture that is not conducive to an effective growth of student outcomes. You might have a school that has considerable complaints coming from—

#### The Hon. MATTHEW MASON-COX: So what do you do?

The CHAIR: This is a failing school. We know what they look like. What do you do about it?

Mr DIZDAR: I just want to indicate to the Committee that it can be across a range of areas.

**The CHAIR:** Mr Dizdar, we are not looking for excuses or rationalisations. We are all grown adults, elected to the New South Wales Parliament. I have a pretty good grasp of what is happening in the school system. We visit schools. We have kids in schools. We are after answers about what is happening to these failing schools, not a redescription of what they look like or a rationalisation of why they fail. What do you do about them?

**Mr DIZDAR:** We have the director, educational leadership, who is the direct line manager of the principal—in a one-20 structure that Ms Egan indicated—have performance conversations with the leadership of the school. It may lead to a school review that is driven by the department in line with our review procedures. The

recommendations of a review are mandatory for implementation by a school. It might lead to an external validation process that aligns with our schools excellence framework.

## The Hon. MATTHEW MASON-COX: What is an external validation process?

**Mr DIZDAR:** An external validation process is where peer principals come in to validate where the school is at across learning, leading and teaching, and to provide direction for improvement. It may lead, in some circumstances, that we need a change of leadership.

The CHAIR: How often does that happen?

**Mr DIZDAR:** In my operational experience it happens a number of times in a range of contexts. I know of cases where we have had to have performance conversations with the leadership who have decided to retire or resign or take a demotion. Or we have had to follow improvement program processes.

**Mr DAVID SHOEBRIDGE:** Can you give us, perhaps on notice, some data over the last five years, that shows the number of occasions where a school leadership team was changed, and what action was taken to change the leadership team, or, if there is other action taken, to address poor performance.

Mr DIZDAR: We can certainly take that on notice, for leadership.

The CHAIR: Also, as part of that, one of the most concerning aspects of your submission was on page 10, where you speak of the 12 per cent to 15 per cent of New South Wales public schools that are basically in social and socio-economic crisis. They sound like they are disadvantaged schools. Can we get some data on how long they have been disadvantaged schools and what level of performance they have had—presumably well below average—over a period of time? What was specifically done about these 12 per cent to 15 per cent of schools identified that looked like they are crisis schools, failing schools, have not been adding value? What was done about their school leadership and the interventions made to get rid of the 12 per cent to 15 per cent so instead of a long list of disadvantaged schools, we have a long list of formerly disadvantaged schools, which must be the core equity objective—excellence objective in New South Wales school education?

Mr DIZDAR: Sure. We are happy to take that on notice.

The Hon. COURTNEY HOUSSOS: On page 15 of your submission, you say that the education Minister has the authority to audit schools at any time. Is that purely a financial audit or is that a broader educational audit as well?

Mr DIZDAR: The audit could be on a range of platforms, Ms Houssos.

**The Hon. COURTNEY HOUSSOS:** I am happy for you to outline, on notice, what issues could be covered and how many have been done this year, 2018 and 2017.

Mr DIZDAR: Sure, we can take it on notice.

The Hon. MATTHEW MASON-COX: On the data side, Ms Egan, if you could provide us the data that you capture in terms of a list of all the different data fields you capture per school, that would be useful to understand what you are tracking and why you are tracking it.

**Mr DAVID SHOEBRIDGE:** To the Chair's point, often one of the reasons schools are struggling is because their community is struggling as well. The school is dealing with all of those social assets and social strengths. If you have got a community that does not have the same level of social strength, often because they are significantly poorer and have lower employment rates, I assume that is a—schools exist within their communities. We cannot just identify schools' educational outcomes ignorant of that social context.

**Ms DOWNEY:** That is correct. In fact, there is a lot of work that is underway to understand community complexity. We are aware of a number of sites where—and these things change in communities—there has been rapid shifts in economic circumstances of those communities or drug uptake of the broader community and related violence. In those instances, obviously, the school becomes a very important hub for how we respond or care for the students that we are looking after every day. But we are not the only provider of resources and so we are looking in a lot of detail about how we can better coordinate. There is already existing programs—our Connected Communities programs—where we are liaising both with community members as well as additional government service providers to work in a coordinated way around the delivery of those services.

In some instances, some of those communities become hubs through which there will be a day where a school invites other service providers to come to those schools so we can make sure that families are connected to the resources that are available. But you are absolutely right that these are community considerations. The

school becomes a very important connection point in this, but there is always an opportunity as whole-of-government to strengthen the way in which we are supporting and responding to those students in our care.

**Mr DAVID SHOEBRIDGE:** I was asking for the data and the Chair was asking for the data about the schools that are not meeting certain standards. I would like the answer to come back and put it in that context as well, because the worst thing that I can see that we could do would be to hang out to dry a principal or a leadership team who is doing the hard yards doing what they can, dealing with social disadvantage and lack of resources and, if their student body is not meeting the standards we would like, point to the school and point to the principal and identify that is where the problem is. Often those principals and leadership teams are doing extraordinary work and facing extraordinary challenges. I would like some context on that.

**Ms DOWNEY:** You are absolutely right, Mr Shoebridge, and I am sure both of my colleagues would like to add to that. But the way in which we look at value-added actually goes to the heart of that question. I will say that even in situations of extraordinary complexities, there are principals who are doing amazing jobs for those students in their care. So even part of the process of school target setting is acknowledging the context in which students arrive in the school and the family settings in which they are operating and it is talking about what is—so the target setting is not agnostic of those and nor, when we look at performance, are we agnostic of those conditions either. I think you are very right to call that out. The skills that a principal needs to drive and improve student outcomes in those contexts are extraordinarily complex. We have principals who are doing an amazing job in those settings and what we want to make sure we are doing, to Mr Mason-Cox's question, is that we are providing schools with access to insights around how best can they support their communities and what is working.

**The CHAIR:** There is certainly no intention of targeting principals and I would hope the education department could reach out to other departments and try to deal with the social dimension—

Mr DAVID SHOEBRIDGE: No, I was just saying that we need the context.

**The CHAIR:** —with a place management model. This new cluster system is supposed to be promising that; we will see what happens. But I was asking for the data about these 12 per cent to 15 per cent of schools: How many stay on the bottom rung over an extended period of time? My understanding is there is a handful that do lift up over time, and I have visited some recently where they do things obviously in pedagogy, in classroom practice, in school discipline that get results. That is an amazing thing that we should all be thankful for, that there is a handful of schools that break the cycle of disadvantage and end up in the top rungs of NAPLAN. But it begs the question: If they can do it, why aren't the others? What are the centralised systems that would encourage those other schools that are not going well, against all the odds—and I know they are horrific odds, but if some are able to beat those odds, can we have a scaling up of those disadvantaged schools so they have all got a fair chance of beating the odds?

**Ms DOWNEY:** These are, again, great questions. Just to give you an example of a way in which that is happening, as part of the work in the disability strategy there was a lot of time spent in looking at contexts where behaviour is complex. One of the really powerful pieces of training that is out there for schools that there is strong evidence improves behavioural management but improves outcomes for students as well is trauma-informed practice. One of the recommendations under the disability strategy, which we are in the middle of implementing, is to make that trauma-informed practice training available to a much wider range of schools. We have 1,000 staff who are about to go through that training: senior leaders right across the organisation.

It is that kind of practice which we know supports improved outcomes in those contexts—quite a complex set of skills. Again, it is not just a one-off training; it is a whole shift in school culture, which is really about ensuring that principals and staff are able to recognise and respond to students' behaviour which is not—it helps teachers and staff respond to what might have happened to that student as opposed to the way in which they are behaving. That is an example of something that we know is very effective. Our schools tell us it is effective; we can see it in the data and we are supporting the rollout of that program more broadly.

The Hon. ANTHONY D'ADAM: You mentioned the value-add. I noticed in the strategic plan there is a specific performance measure on increasing the number of schools with higher value-add. I wonder whether you could perhaps go into some detail about what that metric looks like, how it is constructed and how it is reported.

**Ms EGAN:** Firstly, the value-add is tracked from Best Start Kindergarten to NAPLAN year 3, and then it is tracked year 3 to 5 and then 7 to 9. It is calculated through reading and numeracy, as well as the FOEI: the Family Occupation and Education Index. That is calculated and statistically sound that many organisations across Australia use. That enables schools to identify the growth of our students but also recognise the context for the

families in every circumstance. It is important to add, though, that if there are fewer than, say, five or 10 students it is very hard to see that measurement as accurate because of the small numbers of students in a particular context.

**The Hon. ANTHONY D'ADAM:** I understand Best Start, but is that a separate measure that is done at those intervals that you just specified?

**Ms EGAN:** Best Start Kindergarten and year 7 is measured against our syllabus, as is our NAPLAN. Our statistics experts within CESE analyse that data against those sets and then make some informed decisions. But in regards to what you are referring to, it is the value-add for NAPLAN.

The Hon. ANTHONY D'ADAM: You rely on NAPLAN?

Ms EGAN: Yes.

The Hon. COURTNEY HOUSSOS: You said Best Start is benchmarked against the syllabus. Is that information communicated to parents?

**Ms EGAN:** Yes, it is. It would be the learning—I would hope so, that students receive a report or students and the parents receive the report in kindergarten and year 7. They are tracked against the syllabus, as well as the learning progressions.

The Hon. COURTNEY HOUSSOS: It does not actually communicate to parents the way their child is achieving at this rate in the way that NAPLAN does.

#### Ms EGAN: Yes.

The Hon. COURTNEY HOUSSOS: NAPLAN says you are tracking at this comparison compared to the rest of your cohort?

Ms EGAN: Yes, you are correct.

The Hon. COURTNEY HOUSSOS: There is nothing in best start that gives them any kind of indication on that, does it?

Ms EGAN: No.

The Hon. COURTNEY HOUSSOS: Are you looking at doing that?

**Ms EGAN:** Yes, we are and we are using an online tool called PLAN2 which enables our teachers to look at that and then be able to inform the parents against the syllabus, for instance, and where their child is at.

The Hon. COURTNEY HOUSSOS: Not just against the syllabus but also compared to where they are tracking comparatively across the State.

Ms EGAN: Yes, I am not aware of that.

The Hon. COURTNEY HOUSSOS: There is no plan to do that?

Ms EGAN: Not that I am aware of.

**The Hon. ANTHONY D'ADAM:** I want to clarify how it works in assessing a school for the valueadd. You can look at individual student improvement and then you aggregate that on a school basis and you do that over time. Presumably that data adds us and you have got a pretty good picture of which schools are actually value adding and which are not.

**Ms EGAN:** Yes, that is correct. And that is tied closely to their expected growth as well. A school would look at not only the value add but also the expected growth where a student scores from year 3 to 5, or year 7 to 9 in an area of reading or numeracy to enable a teacher to identify where the growth or the best growth has occurred and then go back to the complaining that is required to address that.

The Hon. SCOTT FARLOW: I return to outcome based budgeting and the metrics around it. Your submission contains a lot about what has been done and what is being done in education at the moment. Where is outcome-based budgeting at present? I know you have a meeting with school principals to go through those aspirations for school communities. What is the timeline or roll-out at?

**Ms DOWNEY:** I will give a bit of context and Dr Deodhar might want to add something potentially to the broader timing. There are a couple of elements in play. We have a detailed outcomes and budget plan that details both the set of targets, the measures as well as the activities and programs we intend to undertake to achieve

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those targets. That is due for consideration by government in the next couple of months. Where possible we have tried to share as much detail from that through the submission.

**The Hon. SCOTT FARLOW:** I am sorry to interrupt. Is that from an education perspective or is that joint between education and Treasury?

**Ms DOWNEY:** That is an education perspective. Treasury and the Department of Premier and Cabinet have been working with this in the development of that plan but it is an education plan.

The Hon. MATTHEW MASON-COX: Will you provide a copy of that?

**Ms DOWNEY:** Subject to government approval—the relevant pieces, absolutely, we would be happy to share them with you because I think it speaks to the heart of a number of the questions you are sensibly asking.

#### The Hon. MATTHEW MASON-COX: I think it does.

**Ms DOWNEY:** Mr Dizdar touched on the timeframe for schools. Each school will have its target set by term 1 next year. The zero-based part of the budgeting process was used for the first time this budgeting process. Part of that has also been the establishment of a set of processes internally that are strengthening right across the department the capacity to articulate and identify the impact of activities on student outcomes. Part of the process is establishing an investment advisory committee that then reviews all of the budget proposals. We have used a draft of that process through this budgeting process and, as a result, a number of activities have been stopped or de-prioritised. We are really trying to make sure that we are focussing our investments in the areas that we have the most confidence will lift student outcomes. That is a process that will continually be refined over the next year both on the basis of our own experience but as well processes that other agencies are learning from.

Some of the other elements to that process that are already in place are that we are as an Executive reviewing on a monthly basis key indicators—both student outcome indicators as well as other kind of organisational health indicators—and looking at that very closely. We are also reviewing in detail on a quarterly basis when new information comes to light so when NAPLAN information comes to light or when the results from the Tell Them From Me surveys comes to light to try to ask and understand the kinds of questions that Mr David Shoebridge was alluding to earlier. What is happening? Can we understand why it is happening? What do we need to do differently as a result? There are a number of other changes that we are making as a department to strengthen the sense of internal urgency and accountability and attention to information as well.

**Mr DAVID SHOEBRIDGE:** That is all on identifying targets and indicators. When I read your submission the generic statements about setting targets and looking at more targets I am still unclear what the nature of the targets are. Are they going to be linked to NAPLAN results? Are they going to be identified to completion of the HSC? I am not sure what the nature of the targets are. The second is that I am not quite sure how identification of targets and data will then fit in with the budget. That is the second link that is not clear in my head. If somebody is meeting targets will that mean something for budget? If they are not meeting targets will that mean something for the budget? How do they link together?

**Ms DOWNEY:** It is a great question. I might draw your attention to our submission, while the specifics are subject to government approval in terms of the details and nuances around the targets–

Mr DAVID SHOEBRIDGE: I saw that repeatedly, yes. I understand that, I am not criticising you.

**Ms DOWNEY:** No, but just to answer some of your questions, we are setting targets around attending school; the number of students are attending school at least 90 per cent of the time. We are looking at student proficiency in international assessments. We are looking at students continuing to year 12 with HSC results in the top 2 achievement bands. We are looking at school leavers who are participating in higher education training and work and we are looking at some of those measures like a sense of belonging which we know is an important predictor of long-term success for students. Those targets are framed ambitiously. They are designed to really drive a sense of the need to think differently. If targets do not make people a little bit uncomfortable they are usually not effective so we have been really ambitious with what we are laying out.

**The Hon. SCOTT FARLOW:** To reiterate that, that is, targets without force. It is being monitored but there is no necessary revocational budget impact that flows from it?

**Ms DOWNEY:** I would say that it is important to differentiate between the funding that goes to schools—as we have already heard there are extraordinarily complex school settings. If a school is struggling with complexity the answer is not to take funding away from them, the answer is to make sure we understand and are providing appropriate support. Certainly there are performance conversations that come off the back of under-

performance and that is not just at the school level but that is the conversation between Treasury and our agency as well. I think we need to differentiate a little between punitive funding measures and performance discussions.

**The CHAIR:** That is an important point. Dr Deodhar can you provide your perspective on this matter as it is a vital question that has been asked around the table? Targets are one thing and targets are not being met. What does it mean for funding? What is the funding relationship between Treasury and the Department of Education in that regard?

**Ms DEODHAR:** In the case of education, I start by saying that the funding the Government has allocated, including a part of Gonski 2.0, has been agreed to and is locked in. In the case of education that funding is there. The conversation now and the planning now is how do we actually translate that into better outcomes? The link between budgeting resource allocation and outcomes that will transpire in education will be how it reallocates that within the envelope towards more effective mechanisms? To the point you were earlier saying, there are a number of things education does or should be doing or will be doing to get to education outcomes. Is it actually doing those, reallocating those is part of the journey that Ms Downey and Mr Dizdar have been talking about.

What has changed with outcome budgeting is, I accept, that setting indicators is not the whole thing but the fact is what is measured is what gets done so we start by setting out some indicators. They are not activity indicators or input indicators; that is the whole point. It goes to the heart of some of the interlinkages you were talking about: disadvantage and outcomes. When you take outcomes, by necessity you are taking a more holistic view of the child, in this case, of the young person. You are not just looking at academic achievement, you need all those causal factors to be considered. What has changed is Treasury is not looking at financial performance, we are looking at outcome and results performance. You would be aware with the Government Sector Finance Act which came about late last year, performance is a key part of that. It provides for agencies to hold and share performance information for purposes of resource allocations, so that has changed.

A fundamental shift that is happening is greater transparency and visibility. Treasury will now be looking at eight cluster outcome business plans which say these are the results for citizens and how are you going to get there in quite a granular way. So we would not be looking at just checking in performance after four years, have educational outcomes been met? We would be looking at lead indicators—milestones. If teacher quality is the best driver, what is required to shift that; if instructional leadership is a driver, what needs to happen in a quarter, in six months to shift that, and having those conversations with the Department of Education. How, then, it actually has intel and assurances and evidence-informed decisions to shift between different initiatives is something we would be having a conversation about. Well, this should have been achieved in six months, a year. That is not happening. What happened? We invested \$15 billion, but within \$15 billion this much was invested in this initiative. It is not working. Why is that—

**The Hon. ANTHONY D'ADAM:** Is that line of accountability encroaching on the accountability that should be offered to the portfolio Minister? That is not Treasury's role; it is the portfolio Minister's role to ensure that the agency is performing on all those other measures. Surely that is just an encroachment by Treasury.

**Ms DEODHAR:** Yes, it is not an encroachment. You are right, it is between the portfolio Minister and government. Treasury as advisor to government would be forming a view and providing that information, along with all of our advice.

#### The Hon. ANTHONY D'ADAM: How is that Treasury's role?

The CHAIR: It is Treasury's role now, seemingly, so we have got to live with that.

The Hon. SCOTT FARLOW: That is what we are trying to tease out here, in a sense: What is the role of Treasury in shaping the educational outcome? To pick up on a couple of points that you raised there and that were raised before in terms of some of the successful programs, the Hon. Matthew Mason-Cox raised Bump It Up and how that has rolled out. In terms of outcome-based budgeting, you mentioned that there were certain activities that have been stopped or deprioritised. Has that been done through the outcome-based budgeting model or the zero-based model?

#### Ms DOWNEY: Yes.

**The Hon. SCOTT FARLOW:** Foreseeably, something like Bump It Up, for instance, could be prioritised through that outcome-based budgeting model as well, saying—to your point, Ms Deodhar—that this is something that is working. So that might be part of the conversation that we will have funding allocated to it because this is something that is working and is driving results. Is that what is envisaged with outcome-based budgeting?

**Ms DOWNEY:** Absolutely. In fact, we are already seeing the richness and the nature of conversations shifting, which is exactly what you would hope to see: that this is a major cultural shift that we are asking of the organisation, but that every person who is looking to invest taxpayer funding needs to be able to articulate the link between their work and student outcomes. So that pressure that comes to bear through that process that says you need to be able to make clear—not just on an historical basis, because that is the program that has been in place, but does that program stack up against another program? If not, the program that has the evidence and we believe will drive the biggest impact will be the program that is prioritised.

**The Hon. SCOTT FARLOW:** In the past, effectively, it would have been that program X had been running; it was rolled over for additional funding at a certain rate. Now you are looking every single year at the success of programs. It is on a yearly basis, is it?

**Ms DOWNEY:** That is right. The department has always looked at—and that is a big part of CESE's role—has done retrospective evaluations. What we are trying to do is say that is good but it is not good enough. We need to be able to tighten the cycle time. We need to be able to lift the capacity of people to, right at the outset of a program, be able to really and clearly articulate what is it that you want to do for students. I will take an example, again, through the disability strategy. We have an innovation fund that is launching and a big part of that program is working with schools to be able to baseline and articulate what is it that you are trying to change for students, how do we know where those students stand now and how can we demonstrate the impact of those programs.

It is an important part of the scaling-up question. All systems, all organisations of scale struggle with the question of scaling up, but an important part of getting people on board with change management—it is not just about mandating, because even if you mandate a process it does not necessarily mean you get good implementation. A big part of that is about convincing people that this is effective. So strengthening the consistency and robustness of that evidence base for everything that we do is absolutely at the heart of this work, because students need to be at the centre of that decision-making.

**The Hon. SCOTT FARLOW:** At the beginning, Ms Deodhar, in your preamble outlining the move from outcomes-based budgeting, there was some examples used of—for instance, previously people would have recorded how many students were enrolled, and moving to the example of what are the outcomes for those students, what are the educational outcomes. Or how many services were provided to people with a disability, moving to a view of what are the impact of those services. So how do you, in terms of the metrics, get to that? I imagine it is a fairly simple indicator to say, "How many students have you got enrolled at school? You've got 300; okay, you get X amount." What do you have to add to the metrics, in terms of the measurement, to be able to get those holistic outcomes as part of your assessment?

**Ms DEODHAR:** Outcome indicators are measures of effectiveness. They are actually trying to say what is it achieving by way of the people or citizens. Data measurement is entirely central to all of outcome budgeting. We would, as best as we can in working with the clusters, try and find outcome indicators which as closely can reflect that. If that is not possible, you take the next best proxy and then also work with clusters to see whether you can embed data-gathering systems similar to what was said in Education's case previously. We would not be going for input measures entirely; there would still be that data gathering wherever they got it—

The Hon. SCOTT FARLOW: They would have to be the core, effectively.

**Ms DEODHAR:** Yes, they would be, or just activity measures. As much as possible, if you looked at the spectrum of input-output activity and outcomes, as much as we can get from existing data proxies or indicators that are towards the outcome is what we would get. That is the journey all clusters are going through right now as part of outcome budgeting post machinery-of-government change, where we are saying, "What is it that you will be delivering for the citizens? How can we meaningfully capture that as effectiveness or outcome indicators?" I should elaborate that those are, you could say, almost at the highest level and those that you can communicate meaningfully and transparently with citizen decision-makers. Below that is a lot of detail in terms of business activities, of programs. So the architecture is outcomes and programs and a whole heap of key performance indicators and metrics.

It is important that we recognise this is about creating faster, shorter feedback loops with information, and then also creating better data capture mechanisms. Data are imperfect and incomplete but we will start with what we have and then build on that. The faster feedback loops are meant to bring about that adaptation and not make it punitive and say, "Look, if something is not working, what do we do to change?" as part of that. So, yes, all clusters, and Treasury in engagement with them, are trying to identify from their set of data measurement what are the most meaningful indicators that will best reflect outcomes from what we have today.

The Hon. WES FANG: If we are adopting an outcome-based budgeting model but we have in place a funding model that is needs-based, as we currently do, what levers are available to us if we are not seeing in a number of years outcomes improving? It seems to me that the only lever that we have is more of a Big Brother-style direction of the funding that is allocated and sort of removes that local decision-making process—local schools, local decisions—where we are more enforcing a Big Brother approach back into education, where from on high we are telling schools, "These are the programs which you will introduce because your outcomes are not improving and meeting the targets that you want." Is that how you would envisage the levers working? Or are there other levers that are in the system, potentially, that you could use to get a school that continues to fail to reach targets to hit where it is that both parties want them to be?

**Ms DOWNEY:** Let me start by saying I would struggle to imagine a principal in our system who does not want great outcomes for their students. There are lots of levers that we have at hand. The ones that we as a system have identified as absolutely critical—I touched on teacher quality. We have, in our submission, talked about leadership, but we know that a principal is also a very, very critical part of that and so there is a lot that we are doing both to boost the capacity of existing leaders in the system as well as the pipeline of leaders. There has been a real gap, historically, in the way that we train leaders. It is one thing to be a teacher; it is a very different thing to be a leader in a school. Our schools are big and complex settings and so we are providing much more systematic training and scaling that up at the moment as well.

We are also strengthening, through the directors of educational leadership, the support, coaching and accountability that those principals have. There are things that we can and are doing, as a system, to make lives easier for schools. There is a big body of work that is underway to reduce the administrative burden on schools. We can make information more readily available to them, as we have through Scout. We are providing training in data literacy to help them. We are, on a daily basis, updating, tweaking and strengthening the ease of use of those tools for schools to help them access those things more easily.

We have provided one-on-one training for the first time last year—side by side, sitting with principals to help them with their budgeting process after we introduced a new budgeting system. We provide, through that process, information about what investments demonstrate good results. There is work that we still have to do—but we are on the way—to increase the transparency and reporting around the investment decisions that schools are making. So there are a number of levers that we have.

We also provide curriculum support, support for students with disability and all kinds of support for schools. We are changing the way that we provide that support. Historically, schools needed to reach out. They reached out to their local support on the ground. We have shifted that process so that, at the beginning of the year, we are working with schools to identify, from a clear basis of information about where that school is performing, as well as conversations with the directors of educational leadership and the school community about what they think that they need. Rather than them connecting to resources that are just at hand, if they say, "What we need is strong numeracy support for refugee communities," for example, we are connecting them with the people in the State who are best positioned to provide that support. So there are many different levers that we have at the moment, and we are very systemically prioritising and targeting the way in which we are deploying those levers and improving them so that we can support schools and improve outcomes.

**The CHAIR:** I will jump in there. Is there one lever missing?—that is, the capacity for the central system to say to a school, "You are teaching the wrong stuff in the classroom. This is not best practice. This is a failed program. Here are the best-practice six or seven things that we know work, through CESE and other research—John Hattie and so on and so forth." It is a long list of levers, but isn't that the key one to get better results? A school can do all of those things but if they are teaching failing programs in the classroom, the school and its students will continue to fail.

**Ms DOWNEY:** We do make recommendations and changes. I might just ask Murat or Sally to talk about some of the shifts in the way the literacy is being undertaken in schools.

**Ms EGAN:** From a director of educational leadership perspective—having been one—my role was to look at school improvement for 20 schools. It was quite a deliberate way of operating—supporting and challenging our principals on a school improvement trajectory. We would walk hand in hand and side by side with a principal to observe learning and really think about where this is leading. Is it the best we can do? Should we share this best practice with someone else? Should we go and visit the better practice elsewhere?

Alongside that we would always look at the school excellence framework to use that as our point in time to think about whether it is a work in progress or indeed sustaining a growing aspect of our school improvement trajectory. So in answering your question I think it is about making sure that the principals and the directors are

working hand in hand, side by side, to look at understanding what is best for each school context in regards to their data, what the students, teachers and parents are saying but also, more importantly, validating that through deliberate learning walks.

**The Hon. WES FANG:** I am still not sure that I got an answer to the question that I was asking. I understand that there are lots of levers happening now, but I guess I am looking into the future. If we move to outcome based budgeting, how will that change the levers that are available to you if you continue to have a school which does not meet targets? What would be the lever, moving to that sort of budgeting program? What will it introduce and how will it look?

**Mr DIZDAR:** A school that is not tracking well on the performance measures that we indicated may actually need more resources from the system. That resource might be, as Sally spoke about, the tailored support. That could be in the area of reading and numeracy. We may need to go in intensively and offer sustained professional development to upskill the staff and leadership team in what does work. In my experience it has also meant that we may need to give additional human resources. We may need to have an enhanced executive structure that the school is not entitled to for a period of time so that we can tackle academic performance—support leadership in academic performance—and often it is around the other end of the street at the school gates, around student wellbeing and connection. In my experience, the underperformance tends to be as other Committee members have indicated: It is remiss to think that it is just in challenging contexts; sometimes it can be in more advantageous contexts where they should be punching way above where they are at. It often involves a system showing them what similar contexts are doing. Under this model it may mean that we need extra resources for a period of time.

**The Hon. WES FANG:** So the concerns that this would be a punitive measure for funding are not necessarily based on what would occur. There may be a situation where the outcome based budgeting results in extra funding for schools that are not performing well.

**Mr DIZDAR:** Those schools that we identify across the range of measures that need our help in a more concerted way may mean that those sites need extra resourcing for a period of time. What outcomes based budgeting has already done for our organisation is make the organisation have a tougher lens, ask tougher questions around, "Is this student centred? Will this have impact in a positive way for 800,000 learners across the State? Where is the evidence base for that?" Not everything has an evidence base. So a system of our size needs also to innovate, pilot and collect the evidence along the way.

The CHAIR: So we have now arrived at, "Outcome based budgeting can have a change to school funding."

Mr DIZDAR: Not to reduce school funding.

The CHAIR: No. No-one has ever suggested that, but it can have an impact on school funds, which is where we started the session.

Mr DIZDAR: It may require that we give additional resources.

The CHAIR: Sure. We are all for that if it gets a result.

**The Hon. ANTHONY D'ADAM:** I just want to ask about the observation that you have just made. In terms of Local Schools, Local Decisions, surely there is a tension, really, with the outcomes based approach and Local Schools, Local Decisions. Surely an assumption of that is that schools can make their own decisions, they can experiment and, necessarily, make mistakes. Is it fair to say that the department is reluctant to intervene because it has embraced the Local Schools, Local Decisions framework?

**Ms DOWNEY:** Local Schools, Local Decisions provides local autonomy for decision making, but it is all about improving student outcomes. What this process does is make very explicit with principals, in consultation with principals, what the outcomes are that they are trying to achieve for their students. Those are articulated in the school plans. Those are shared with communities. It provides real clarity to the directors of educational leadership as well as to the system so that if a school is struggling to achieve those student outcomes. Those two things are not in contradiction. Local Schools, Local Decisions is about creating local autonomy to improve outcomes. In the sense, it is the same conversation that the Government is having with Education, which is saying, "How you get to those outcomes is your business, but we want to be really clear about the outcomes you achieve."

The Hon. ANTHONY D'ADAM: But that is not quite correct, is it? The process of formulating the outcomes is one that requires Treasury sign-off. It is not a question that education determines its priorities and it

determines the outcomes that it is looking for and Treasury just says yes. It is clear from the Treasury perspective on outcome budgeting, that Treasury requires sign-off on what the department does on the goals that it is setting.

**Ms DOWNEY:** I might leave that for Treasury to comment, but I would say that the process of establishing the goals has been one with the Minister and the education department to articulate what we believe those should be.

The Hon. ANTHONY D'ADAM: While you are on that, there is the strategic plan, which has a series of goals and a series of performance measures; that was adopted in 2018 and is still current. The alignment did not seem quite the same as the five domains that Mr Dizdar outlined at the beginning of the session. Then, of course, there is the State outcome, which is in the budget papers, which is a much broader objective. Can perhaps someone elaborate on how those are all reconciled and aligned? There seems to be some, if not conflict, at least some not quite neat overlapping.

**Ms DEODHAR:** That is a really good question that you have called out in terms of State outcomes and what they are. What we are going through is completely merging and integrating those state outcomes that were put forward two years ago. As the system has matured and we have had machinery-of-government changes at the back of similar conversations, we will be agreeing to what the revised State outcomes are that government wishes for Education to pursue. Those are the ones in the domains that Mr Dizdar has outlined. Once government agrees to those, then the budget paper and the reporting would be on the same outcomes. So it would be the same.

The Hon. ANTHONY D'ADAM: Are they in line with the strategic plan? They do not seem to be.

**Mr DIZDAR:** They are aligned strongly with our strategic plan. In our strategic plan we have indicated that we want every student in our system to be known, valued and cared for, so that certainly goes to the wellbeing measures that I articulated. We indicate that we want every school, every student, every leader, every member to improve every year for the benefit of student outcomes, so that goes to the other domains of literacy and numeracy and the equity areas and attendance. I just reiterate for the Committee that they have been, as my colleague indicated, developed by the department in consultation with our Minister and then replayed back to Treasury as our aims and ambitions.

**The Hon. ANTHONY D'ADAM:** There are 10 goals that will inform that outcome budgeting process, like the 10 in the strategic plan?

**Ms DOWNEY:** The strategic plan goes a bit more broadly in that it picks up both a mix of student outcomes measures as well as other important measures for the system—talking about things like what Education is like as a place to work and around our school infrastructure. Those are important enabling things, but we do differentiate between those and the student outcomes goals through this process. But they are consistent.

**The Hon. ANTHONY D'ADAM:** So it is just student-focused goals that are in the outcomes? There is no broader social or community goals?

**Ms DOWNEY:** Some of the other underlying support activities that we need to undertake, like making sure that we have buildings that meet the need of a growing population, are more broadly part of the business and outcome process that is being considered. But they are not goals that are necessarily cascaded to the school level, if that makes sense.

**Mr DAVID SHOEBRIDGE:** Could I ask you about the Quality Teaching, Successful Students program? Sometimes the numbers in education do my head in, but that is a \$224 million program. Is that right?

**Mr DIZDAR:** I would have to take the exact figure on notice. That sort of figure resonates, but I am happy to come back with the exact figure.

Mr DAVID SHOEBRIDGE: A quarter of a billion dollars. It was begun in 2015; is that right?

Mr DIZDAR: That sounds correct.

Mr DAVID SHOEBRIDGE: Have you read the Auditor-General's review of that?

**Ms DOWNEY:** Of quality teaching more generally?

**Mr DAVID SHOEBRIDGE:** Yes, of quality teaching more generally, but specifically one key part of that was the review of the Quality Teaching, Successful Students program. Have you read that?

**Mr DIZDAR:** We are across the audit report.

**Mr DAVID SHOEBRIDGE:** There are discussions about tracking and data, but what the Auditor-General says is there is about a quarter of a billion dollars there and nobody is tracking the outcomes. That is a good summary of the Auditor-General's report. Am I wrong in that?

**Mr DIZDAR:** I think it is important to articulate what Quality Teaching, Successful Students was, because I do not know that the Auditor-General's report unpacks what that reform was. If you are happy, I am happy to do that for the Committee.

Mr DAVID SHOEBRIDGE: By all means, do that. But is my summary right or wrong?

**Mr DIZDAR:** We did not ask schools to specifically report on line-by-line item what they might be doing with that funding.

**Mr DAVID SHOEBRIDGE:** Let me read what the Auditor-General said, because it is a little bit different to that in terms of the critique. The report stated:

Schools choose how to use funding to support beginning teachers and for the Quality Teaching, Successful Students program. Guidelines and examples help to inform school decisions for this funding. Schools report basic information on how they use funding in their annual reports but this is not monitored by the Department. We identified examples where the use of funding for the Quality Teaching, Successful Students program was inconsistent with guidelines.

Is the Auditor-General right or wrong?

**Mr DIZDAR:** The Auditor-General is correct that we did not ask our schools to report on how they were expending those funds.

**Mr DAVID SHOEBRIDGE:** I find it odd that a program of the size of \$244 million is rolled out and you do not, as a key part of that, require transparent accounting. Is this unusual for the education department?

**Mr DIZDAR:** It goes to the primacy of how we set up our school budgets for our schools to look at the budget holistically, not just to look at program items or initiatives, to utilise the full range of resources at their disposal to meet the needs of their learners. You will find that with Quality Teaching, Successful Students, whilst—I am taking your figure—\$224 million—

Mr DAVID SHOEBRIDGE: It is not my figure; it is the Auditor-General's figure.

**Mr DIZDAR:** —in the report across the system, Mr Shoebridge, meant dollars for a primary school and many primary schools utilised more funds than what the system had given them in the area of Quality Teaching, Successful Students.

**Mr DAVID SHOEBRIDGE:** But if your only reporting is in annual reports and you do not have a system to even collate the data for annual reports so as you can work out what is going on, how on earth can you tell whether or not this program is working? The Auditor-General says that you cannot and it is a problem. What was the idea?

**Ms DOWNEY:** These are good questions to ask and these go right to the heart of what outcomes-based budgeting—

Mr DAVID SHOEBRIDGE: I do not need you to like my questions; just answer them.

The CHAIR: They are better questions to answer. I think that is what he is looking for.

**Ms DOWNEY:** They go right to the heart of what outcomes-based budgeting is all about. It is not enough to talk about "Here is the funding and it's being spent"; we need to do a consistently better job of being very clear about what those programs are intended to do, what the baselines are and how that money is expended. That is exactly what this reform is intended to do.

**Mr DAVID SHOEBRIDGE:** I have got a really specific question: What are you intending to do in terms of monitoring the outcomes of this \$224 million program going forward? Obviously what has been done in the past—do we agree that is inadequate, what has been done in the past?

Ms DOWNEY: There is room for improvement.

Mr DAVID SHOEBRIDGE: Then what are you going to do to improve it?

**Ms DOWNEY:** What I would say is that the program in its current form is not rolling forward exactly as described there. I will take on notice for specifics about how that program is being reformed and come back to you with more detail about reporting going forward.

**Mr DAVID SHOEBRIDGE:** This goes back to some of what the Hon. Anthony D'Adam was talking about. When you devolve spending down to the local school level and you do not have reporting mechanisms to work out how that spending is going, that might sound great on an ideological "empower principals" thing, but if you want to ensure you have got standards and if you want to ensure that the money is being spent well, just a hope and a prayer that it is all working at a local level and getting some standing annual reports as the way of checking on it is not adequate. How are you squaring the circle between an ideological commitment to local schools, local decisions, and actually testing, evaluating and holding to account?

**Ms DOWNEY:** By systematically boosting the capacity of programs and schools to better identify the impact of their expenditure. That is precisely what this reform is about: It is to boost the capacity of programs at a system level to identify whether that they have been impactful and to not be waiting for a four-year evaluation, but to be doing it on the way through.

**The CHAIR:** The safeguards are the purpose of the reform, but they have come a long time after the local schools initiative was introduced. You can say better late than never, but we will see how that fares.

#### Mr DAVID SHOEBRIDGE: Goodbye, horse.

**The CHAIR:** In that Auditor-General's report, how is it that New South Wales schools' results are so dismal and have gone backwards, and the department has only identified 53 underperforming teachers in New South Wales?

**Mr DIZDAR:** We know that that is an area that we have needed to support better on the ground. There has been, Chair, improvements in our formal improvement program processes. They were quite cumbersome and difficult for all parties, so we have improved that. We have also just rolled out five teams of school-drawn expertise across the State; that has been really well received. Our first two teams are a year in but now we are into five teams across the State. These are teacher performance improvement teams and what they do is help school leadership who may be contemplating or struggling with lifting the support and performance of a colleague or a staff member. It is proactive support on the ground. We need to build confidence and capacity of our leaders to have ongoing feedback and performance and development conversation mechanisms, and this is the remit of those teams out in the field in supporting how people go through and lead improvement program processes.

What the data does not capture, Chair, that is also important is those that abort improvement program. So they are part way through and make the decision that they want to resign from the profession or they want to, like I said earlier, take a demotion—but if it is a classroom teacher, normally resign and leave the profession. We do not capture that in that number as well. We know in strengthening and enhancing the teaching capacity, investing in professional learning is important, but also investing in supporting those mechanisms where a leadership team tackles underperformance is really important. That is what those improvement program teams are doing.

The Hon. ANTHONY D'ADAM: Could we get some statistics particularly about the improvement programs that are commenced and then subsequently do not proceed to some kind of disciplinary action with—

Ms DOWNEY: We will take that on notice.

Mr DIZDAR: Sure, we are happy to do that.

The Hon. ANTHONY D'ADAM: If that is the explanation you are giving—the reason why it is so low is because many of them start, but then the employee sees the writing on the wall and leaves—then that must be borne out in the statistics, presumably.

Mr DIZDAR: There is a proportion that are like that, as well, is what I am indicating.

**Ms DOWNEY:** If I may, as well, in response to the Auditor-General's recommendations on quality teaching, we have accepted all of the recommendations. I think an important call-out there was that there is real room to go in terms of the consistency of the application of good-quality performance discussions with teachers. There is work underway for us to be much clearer right from the get-go for when somebody joins the system about what is expected and what quality teaching looks like. We know that there are schools that do a really good job of this and have been really clear and consistent right across every one of their teachers around what good practice looks like, but we know—and you could see that clearly through the report—that this is an inconsistent practice. So it is a real focus for us as well.

**The Hon. COURTNEY HOUSSOS:** The Auditor-General said the department does not communicate a consistent definition of teacher quality. Do you now have a definition for them?

Ms DOWNEY: We are in the process of developing a definition in consultation with schools.

The Hon. COURTNEY HOUSSOS: When will you have it?

Ms DOWNEY: I will have to come back to you on that.

**The Hon. MATTHEW MASON-COX:** I want to go back to the budgeting process for a moment. You mentioned that there is an investment board that is looking at how you determine—

Ms DOWNEY: There will be, yes.

**The Hon. MATTHEW MASON-COX:** Can you explain where that process is up to and who is going to be on the investment board?

**Ms DOWNEY:** The investment advisory committee is an internal advisory committee to the departmental executive and consists of senior leaders from across the department. The intention of that committee is to make sure that every submission that is a budget submission has a comparable degree of rigour in the articulation of the connection of that investment with student outcomes and that there is a consistency of process. What we did for the first year this time was the executive went through this process and assessed each investment bid on a series of different dimensions, looking at things like the risks, the feasibility, the expected impact on students, the evidence of the program, the cost of the program and so on and so forth, and prioritised expenditure accordingly. The investment advisory committee would help streamline and systematise that process and provide advice to the executive, who would then make the final determination.

The Hon. MATTHEW MASON-COX: But it has not been set up yet?

Ms DOWNEY: No, it is in the process of being stood up.

The Hon. MATTHEW MASON-COX: Can you provide us some information on when you expect to set that up, who is going to be on it, and the parameters that you use in assessing budget bids, if you like, in relation to whatever program or whatever school?

Ms DOWNEY: Yes, I will take that on notice and come back to you with the terms of reference for that committee.

**The Hon. MATTHEW MASON-COX:** Related to that is you mentioned zero-base budgeting. At what level has that been done in the department? Is that down to a district level or perhaps even a school level? What level have you gone through that process?

**Ms DOWNEY:** This is at a division level. Each division within the department is required to—there is funding that goes to schools and then there are a number of programs that sit separate to that: human resources support, information technology support programs, curriculum development that sit within the department. So that funding goes to the division level and each of the divisions then was required to articulate from a zero base the expenditure that they are tackling. It covers the whole base of the program.

Mr DIZDAR: It is not at a school level.

The Hon. MATTHEW MASON-COX: When did you first do that?

Ms DOWNEY: For the first time for the budget commencing in July this year.

The Hon. MATTHEW MASON-COX: For the first time?

Ms DOWNEY: And we would be the first government department to do that.

**The Hon. MATTHEW MASON-COX:** So prior to that it was always a case of looking at the budget from the last financial year, put an increment on top and "wham, bam, thank you, ma'am"?

Ms DOWNEY: That is the way government funding and budgeting is done right across the country at the moment.

The Hon. MATTHEW MASON-COX: It is extraordinary, isn't it?

**Mr DAVID SHOEBRIDGE:** We were talking earlier about how education interacts with particularly vulnerable communities. One of the programs that the State Government is rolling out is Their Futures Matter, which is meant to be a cross-cluster collaboration dealing particularly with vulnerable children. What is the education department's role in Their Futures Matter?

**Ms DOWNEY:** Education is an active member of that group. You would be aware that part of the work that is underway there is to improve data-sharing in order to better identify needs in communities, both in terms of—

**Mr DAVID SHOEBRIDGE:** We have already had that. We have got the data pool and we have got the—it used to be called liability modelling; it is now, I think, called lifetime outcomes modelling. The data is there. What are you doing with it?

**Ms DOWNEY:** The data is there, but there is additional data that Education is also going to be providing into that, as we have got more information emerging through better data collection. So we will be continuing to add to and enhance that information. I might also provide an opportunity—did you want to say anything with a whole-of-government view?

**Ms DEODHAR:** Yes. In terms of outcomes which span multiple agencies and clusters, the idea behind things like Their Futures Matter is how can the data inform specific interventions in those specific departments? In Education's case, if we looked at the broader outcomes for all students, what might that look like in terms of what is required in schools where you have a high incidence of such children, be that vulnerable children or children in out-of-home care? I think the data modelling has shown that interventions fairly early on in the life journeys of these children will best help mitigate or avoid those adverse outcomes. It is now for Education to embed some of those and target some of the needs of those children specifically. We will be looking at some of those key performance indicators.

**Mr DAVID SHOEBRIDGE:** Yes, 100 per cent, which is why I was asking Education what they are doing. There is a series of cohorts; I think there are three cohorts of children, particularly vulnerable children, that are being targeted from Their Futures Matter. What is Education doing for those cohorts of children? First of all, are you aware of the cohorts?

**Ms DOWNEY:** There is a wide range of programs and it might be sensible for me to take that on notice and come back to you so I do not miss anything out.

**Mr DAVID SHOEBRIDGE:** Particularly vulnerable young adolescents and other vulnerable young children are identified as being targets for the State Government under Their Futures Matter. Can I ask you about kids in statutory out-of-home care? Anecdotal reports that come to my office are that kids in statutory out-of-home care can not go to school for nine out of 12 months or can not attend school for six months in a row. The reports that come from Family and Community Services—or whatever it is now called—indicate that on average kids in statutory out-of-home care can have dreadful attendance at schools. Does the department track and have a special program identified for kids in statutory out-of-home care? And if not, why not?

**Mr DIZDAR:** Let us take the details on notice and come back to you. It sits in our educational services area, that expertise. So, let us get that expertise of what happened. I know that it has been a focus of Their Future Matters in terms of a very at-risk cohort and what we might be doing across agency to support.

Mr DAVID SHOEBRIDGE: Can I ask you about statutory but also residential care as well?

Mr DIZDAR: Sure.

The CHAIR: We have room for supplementary questions and I expect there will be several of those.

**The Hon. COURTNEY HOUSSOS:** I wanted to ask you, now the department is funding breakfast programs for the first time, are you going to be mapping where these are already being provided by schools?

Mr DIZDAR: Let us take that on notice for you.

The Hon. COURTNEY HOUSSOS: Can you provide on notice how the breakfast programs are going to be evaluated as well?

#### Mr DIZDAR: Sure.

**The Hon. COURTNEY HOUSSOS:** Given this outcome based budgeting, what is the success going to look like? Will that evaluation include all schools that run breakfast programs or only the programs that are centrally funded?

The Hon. WES FANG: This is not estimates.

Mr DIZDAR: We are happy to take it on notice.

**The Hon. COURTNEY HOUSSOS:** We specifically have a term of reference around wraparound services. In your submission you talk about developing career paths for teachers to better recognise great teaching. What are you doing in that role?

**Ms DOWNEY:** I might provide an opportunity for Mr Dizdar to comment. Certainly there is recognition of the importance of clear career paths for teachers, both in terms of providing opportunities to attract talent but also to keep high performing teachers in our schools.

The Hon. COURTNEY HOUSSOS: In a teaching role as opposed to in a leadership role?

Ms DOWNEY: Correct.

**Mr DIZDAR:** As the Committee would know, our remuneration structure is based upon standards for teachers. We know we would like to increase the number of teachers—all sectors would say the same—that are highly accomplished or lead. We have about 100 or thereabouts in the public education system. We are certainly doing a lot on the ground. I am happy to provide details about how we are trying to support the uptake there. We know that these teachers are demonstrating the national teaching standards to a very high level. We are grappling with, as an organisation enhancing teacher quality, what some other high performing systems have done. For example, in Singapore the Committee might know that they have a well established teacher track for those who do not want to be a school leader, who are experts in their field and who do not want to leave the school gates.

What roles can a system have that keeps them still close to the profession, developing the profession, utilising that expertise? We are certainly looking at the evidence and research into that. We have a long way to go though, Ms Houssos, around what those roles may look like and how they might be negotiated with all of the relevant stakeholders. We are also drawing lessons from our instructional leader role that I referenced earlier. We know that when you create a specific position in a school that is responsible for developing staff capacity, enhancing capacity across the board on a daily basis—in this case specifically around literacy and numeracy—it can have a profound impact. Enhancing teacher quality is an executive priority. It is only one of five priorities for the executive. It is wrestling with this space about how can we keep our best practitioners still connected with the classroom and how can they further grow the current and future practitioners?

**The Hon. COURTNEY HOUSSOS:** If you want to provide anything else on notice that would be really useful. When is the curriculum review due? It is overdue so when is it coming?

**Mr DIZDAR:** My understanding is that an interim report is imminent and we will have an opportunity for further input into that.

The Hon. MATTHEW MASON-COX: This is a very significant change for you as a department, the whole outcome based budgeting approach. It has been put to us in another submission that perhaps there should be some independent oversight of the implementation of outcome based budgeting but also benchmarking better practice, perhaps even a semi internal audit role to ensure accountability to aid with the implementation of this change: Do you have a comment on that?

**Ms DOWNEY:** I think we would have to take that on notice.

**The CHAIR:** I thank you for your participation in the Committee. It is a fascinating inquiry because the work you are doing is a work in progress, which makes it interesting for us. It is a real time committee process. We are hoping to make a positive contribution. I do think the reform is full of potential. There is a passion here for every school, including disadvantaged schools in New South Wales that are high value-added, and high achieving schools. So we share that common interest. How we get there is critical for the future of the State in so many respects. We want to work productively towards that goal.

We hope our final Committee report and recommendations can assist. This is vital work, I think the most important thing we can do in New South Wales. Thank you for what you are doing. We talk about against the odds, it is not the easiest project in a big system but we want to thank you for your contribution today and there will be supplementary questions and I know they will be answered fully. We look forward to seeing how the reform rolls out and what contribution our Committee can usefully make.

(The witnesses withdrew.)

(Luncheon adjournment)

#### Dr DAVID ROY, Lecturer, School of Education, University of Newcastle, sworn and examined

**The CHAIR:** I welcome our next witness, Dr David Roy, from University of Newcastle. He has made a very good submission to the inquiry, for which I thank him very much. I know he has had not only a very clear and productive interest in disability education, which is so important, but also some ideas about the reform of departmental structures that we are interested in listening to. Would you like to make an opening statement or would you like to stand by the submission and go straight to questions for the next 45 minutes?

**Dr ROY:** I will make a very brief statement. The views that I might put here are personal and not necessarily representative of my institution. Often academics disagree with one another. I also recognise the work of a fellow researcher, Caroline Dock, who I am representing partly here as well.

The CHAIR: I would like to start with these issues about departmental structure, because it is certainly true that we are all in awe of the workload and the size of this department. You have some ideas about how it could be split in two, with an administrative arm that services schools, and also an independent authority that would monitor performance measurement and possibly deal with complaints. Would you like to give us your thinking on this, particularly with regard to disability education?

**Dr ROY:** What has to be stated first is that everyone—most of the people—in the Department of Education work to achieve the best they can for kids. There will always be individuals who work in any organisation who may have a more selfish reasoning behind what they do. I do think we have a humungously large education department in comparison with many other systems and I do wonder whether having such a large organisation may be detrimental to moving forward the change and progress that is needed for kids with an education. I think because it is so large it obviously has internal systems to measure and investigate itself but I think we have got a situation where there is not enough outside accountability for the department for those at the highest level, within the teaching force and within the curriculum areas.

There is an element of inspection that has been going on within New South Wales Education Standards [NESA], which is a separate organisation and is much more independent. When an organisation is investigating itself—and has been doing so for many years—I think that that can lead to many problems. I would ideally like to see greater outside—how can I phrase this?—investigation and accountability with more transparency. I was at the earlier session and I really appreciated the fact that the department was recognising that we do not have the data and that we need more data. I think that that needs also to be measured by those outside. I would argue that having a statewide education system might not necessarily be the best thing. Regional systems might be more responsive to regional needs. In many other countries and systems they have much smaller education systems. For instance I come—you can't tell from my accent!—from the nation of Scotland.

#### The CHAIR: We had no idea!

**Dr ROY:** It has much smaller education authorities which come together to find some collective way to move forward, but they have much smaller responsibilities for their own workforces, for their ways of implementing the curriculum and for maintaining schools. I think there would be great budget savings within New South Wales to do so. I think it would also create—it is interesting, coming from my politics, to say this—a more competitive system that would make the different areas want to work together or to achieve more rather than to be comfortable with certain areas. I think in a large system that we have just now resources seem to go to certain key areas within the State and it can leave some of our more rural areas more disadvantaged. Those are the starting points I come from, but there are fundamental changes—not just to the system but in thinking about the way we do schooling as well.

This committee is looking at measurement and funding. We need funding. We need to measure what is going on so that we know what to fund, but we also need to consider is what we are doing the right thing in the first place before we even measure. Are we just making changes by measuring programs that are almost bandaids to more systemic problems or do we need to radically rethink the way that we approach curriculum and the way we approach school structures, the way we approach the workforce and the work conditions? I am up for challenging these ideas so that they can be illuminated, looked at and considered, and either rejected or accepted. I think we need to put everything on the table if we are to increase the outcomes for all children in New South Wales.

**The CHAIR:** You mentioned a regional system. We have regional offices at the moment, so I am interested in what changes you would make there to make them more effective. There is a common complaint I think or view among parents. They can have an issue with the school and make a complaint to the school. The

principal whitewashes that and says that everything is okay. The system is very defensive. Then if you go up to the regional office the director—who is normally a friend or ally of the principal—reaches the same conclusion. What changes would you make in that accountability and complaint system? Is there a different type of regional system you have in mind to the regional offices that we have at the moment?

**Dr ROY:** I guess many of the decisions that are made are not regional; they are actually made centrally in Parramatta. It is a top-down hierarchy. It comes from that strong leadership, some of whom were here, present, before. I understand that. I would like to see the regional areas much more autonomous in what they do, but I do not think the accountability should lie within. I always believe that accountability should be outside. There should be outside bodies monitoring everything. I believe quite strongly that we do need a form of inspectorate. I do not believe in the Ofsten style of inspectorate from England, which can be quite adversarial. I am much more in line with Her Majesty's Inspectorate of Education, which is a separate type of education inspectorate, which is collegial and works with schools. In fact I have known many schools myself, as a former teacher, actually enjoy the process of being inspected because it was looking at how to improve best practice. I do believe we need carrots. I do believe we also need sticks. But the carrot approach is always the best way to go, if I can use that informal analogy.

**The CHAIR:** At page 15 of your submission you write about a recent abuse of student allegations that were revealed in both public and independent schools by the ABC 7:30 program. NESA immediately dealt with the independent school, while the Department of Education was left to internally investigate itself. Can you provide us with some more detail there? Was there a different outcome in the NESA treatment of the independent school compared to the Department of Education internal investigation, and is this a problem across the board in disability education in particular?

**Dr ROY:** Yes, I would argue there were significant differences. The 7.30 report went out on, I think, a Monday night. But NESA had already been informed of these issues and were there on the Monday morning at that school to investigate because it was an independent school. The Department of Education investigation finally closed at the end of 2018; it took them that long to actually look into the issues. Again, I have to be careful what I say here for legal reasons. If you want further detail, we would have to go in camera. But the case was finally taken to court and then the case was discontinued by agreement with the parties, with a settlement made which questions the amount of settlement that was given to this Committee at budget estimates—again, I would have to go in camera to give you more detail—the problem being that the department investigated itself. That has always been the problem.

In my experience with multiple Employee Performance and Conduct [EPAC] cases, whether it has been with teachers or with children with a disability—and both sides get investigated by EPAC—the system will defend the system first, then the senior executives, then the next level of executives, then the principals, and then maybe the teachers or the children, depending on—as you alluded to earlier, Mr Latham—the relationship between the regional areas. So there are significant problems within that. Within that case that we mentioned that I can talk about, one of the teachers that had allegations against them—they had allegations against them in 2007 that Family and Community Services [FACS] had recorded.

They had allegations against them in 2013 and 2015, and the department chose to say these allegations should all be kept separate, even though they were all involving a physical nature against children. That staff member remained in place, in charge of non-verbal children with a disability, and there has been no change to them. I have tried to get the details of two of the cases from 2007, but when you ask for them, the freedom of information is redacted significantly. But I am able to pass on the details—the code numbers for those cases if you wish to investigate further.

The CHAIR: And you have seen similar inadequate process in other parts of disability education?

**Dr ROY:** I have probably over 50 different cases where similar events happened, many of which were passed on to the inquiry into disability in education in 2017 that I was involved in, as I believe Mr Shoebridge was. I am not sure if you were, Ms Houssos.

The Hon. COURTNEY HOUSSOS: I was on maternity leave.

**Dr ROY:** There is an ongoing issue with these processes. There has been a disability strategy that has been developed by the department and they have set up, provisionally, a disability reference strategy or reference group. I have been invited to be part of that. I am still waiting to find out when there will be a meeting of that group to see what the next step forward is.

The CHAIR: Two years later?

**Dr ROY:** Finally, the committee members were selected about four months ago, so we are waiting for the next meeting. The strategy is a step forward but there are still significant issues with it. There are even significant issues with what is including children with a disability, because unlike the dictionary and the United Nations and most other education systems, at budget estimates it was revealed that the secretary could not give us a definitive definition of what inclusion actually was. So there are issues across the board in the system in dealing with the vulnerable in our community. It is the same when we come to children of Aboriginal or Torres Strait Island descent and those in care. All the most vulnerable groups are the ones that potentially need the greatest targeting for outcomes, and yet they are the ones that the system seems to not know what to do with.

**The CHAIR:** My final question in this part of the hearing is along the lines of measurement of outcomes in disability. Are you confident that that is possible in an accurate and reliable way? It did not feature in the presentation earlier on, although it probably comes under the equity banner that the departmental representatives mentioned. It is not something where I have had personal experience. How difficult is it to measure outcomes in the disability education area?

**Dr ROY:** You could measure anything you wish, depending on your measurement tool. You could measure outcomes for children with disability about their progression, about the add-on and the build-up. We have to decide what we want to measure. We also have to decide whether the systems that we have in place to teach children with a disability are the right systems before we even measure, because whatever you measure will be impacted by that system. Currently we have a system where we segregate many of our children with a disability into schools with a specific purpose. I am still looking for any research that tells me that this actually benefits in the long term, because all the research internationally tells us that creating selective classes or schools benefits those who are the higher achievers and disadvantages those who are struggling.

We know that children with a disability will find it difficult to access the curriculum. I have concerns that what we are trying to measure would be flawed because the very system we have in place to support children in the first place is not the best system and potentially is a more expensive system than it needs to be, because it is more expensive to have individual schools for selective groups than it is to have them in the mainstream because you have got additional costs of staffing and additional costs of building maintenance. So there are multiple reasons why we should be a fully inclusive system, as are the systems in other countries. Can we measure? Yes, we can. Can we set targets? Yes, we can. But we have to provide full curricula. We have to provide meaningful curricula and not make assumptions that children with a disability are a homogenous group or that because they may have a physical disability or certain neurological disabilities, that that is equivalent to an intellectual disability, because that is a very separate thing.

**The Hon. COURTNEY HOUSSOS:** Thank you very much, Dr Roy. I wanted to ask you about the disability strategy. This is the one that was announced in February?

#### Dr ROY: Mm-hm.

**The Hon. COURTNEY HOUSSOS:** Part of the disability strategy is basically just to establish a dataset at all. Can you talk us through any issues that you might have with the way that they are going to be measuring that dataset?

**Dr ROY:** We do not know how we are going to be measuring that dataset. We just know we need to have more data, because we cannot tell what is going on. We cannot make improvements to what is going on if we do not know what the current situation is. We do know that staff feel under-confident in teaching children with a disability, and that very question might be the problem: Instead of seeing children as children with a disability, see them as children with learning needs that potentially the disability is impacting. But they are children first with a learning need. Once we change attitudes—which was talked about by the Auditor-General's report of 2016, I believe, where they said that it was the attitudinal change that needed to happen first. Then if we can get data to say how are children achieving, what are they achieving in NAPLAN and their general progression, is there a progression from year to year and is there comparable data, until we can compare different groupings, then we can start to say this is therefore what we need to do to support those groupings.

But we do not even have those fundamentals. We do not even know how many children enrolled into the Department of Education to a mainstream school but then ended up in a special school with specific needs. As came out from the questions on notice in budget estimates, they can tell us how many moved from a school for specific purpose [SSP] to a mainstream school, but I know for a fact that you have to enrol through a form into the Department of Education. So they will therefore, on that form, have the school that parents and families requested. They have that data; they just need to pull it together. So it is fundamentals like this. They need to pool

all the different pieces of material they have on computer systems, but we have a very large, unwieldy education system. Again, if it was smaller, compact groupings, we would be able to see that more targeted data.

**The Hon. COURTNEY HOUSSOS:** I am not sure if you were here for that particular section of the discussion this morning, but there is a piece of infrastructure called Scout, which apparently is the data-driven part for principals. Surely that, then, should be collecting the data around children with a disability—I like this idea of approaching them with learning needs—and how that is being managed through the school.

**Dr ROY:** You would think so, yes. Maybe it might just be they need to work on that and fine-tune it, if that makes sense.

**The Hon. COURTNEY HOUSSOS:** No doubt you will have some recommendations around that, so we will watch that space. I wanted to move on to a couple of other things that you raised in your submission. I really found very interesting the idea that teaching a second language is very important. Are you aware of any research around—I note you said it may not be causation; it may be correlation. Is there a certain level of proficiency that they need to reach before it actually has an impact?

**Dr ROY:** That is not an area of my expertise, but I am aware that those countries that have a second language in the curriculum earlier on have got higher literacy outcomes within PISA, amongst other areas. It is fundamental common sense that if you are studying another language, you therefore have to consider how language is created and therefore have a better understanding of literacy. Sometimes we equate literacy with English within the curriculum. English is not about literacy; English is about understanding literature, and that is really important. I know from a personal experience that it is because I got languages at an early age—I would also argue potentially maybe choosing to do Latin and struggling desperately with it—all these factors have fed into my understanding of language and my literacy.

I think this is an area that needs to be looked at. I know that Pasi Sahlberg from the Gonski Institute has also commented recently as well that a second language is important. It does not state what language it could be: whether it is an Aboriginal language that we are learning within a community, whether it is French, whether it is German. Some would argue I have had to learn English, from my accent. There is a truth within there because coming from Scotland, the Scots language in Europe is seen as a separate language. So technically there is a bilingualism there. I think all these factors of language improves your literacy across the board. And if you have improved literacy, you improve your numeracy as well because so much of numeracy uses language to communicate it. Indeed, numeracy is a form of language.

**The Hon. COURTNEY HOUSSOS:** I wanted to move on to the role of teachers. Your submission talks about the importance of teachers and that is probably something we can all agree on—good quality teachers. Are you familiar with the Auditor-General's report that came out around teacher quality about a fortnight ago?

#### **Dr ROY:** Briefly.

**The Hon. COURTNEY HOUSSOS:** I will ask a specific question then. Are you aware of any examples overseas around career paths for better teachers? Recognising that role and doing that effectively but not necessarily removing them from the classroom?

**Dr ROY:** Yes. Again, one of the reasons—I am going to pull back on personal experience from the UK, I hope that is okay.

#### The Hon. COURTNEY HOUSSOS: Yes, of course.

**Dr ROY:** I had been teaching for five years when I was given a role of senior teacher. It was done internally within the school. Each school was given so many roles of senior teacher where someone who was seen as able to support students in a way that lifted outcomes because you can measure teaching impact, despite what people say, if you look at it longitudinal time. I still kept teaching. I was not given any additional admin but I was given time to go into other classrooms to work collegially. Not as a hierarchical authoritative figure, but just to work collegially with colleagues for us all to share best practice; it is not hard to do. Sometimes we have hoops that we make people go through. I am a great believer in the accreditation process but there is an element to it that we have in New South Wales which is highly administrative.

I believe there needs to be more of a sense of trust within schools because schools know and the kids know and most other teachers know teachers that are delivering a high level of teacher quality and there is lots of room to create an increased career path for teachers. After 10 years you have reached the maximum wage you are going to earn and I do not see why. People who are able, bright and able to communicate, unless they have a real deep passion for staying within a school, many will leave to get better careers. We want to keep our best and our

brightest within the classroom so wage is an important factor. People will never admit that in surveys because it does not look good if you are a teacher and you are there for a wage, but people have got mortgages, they have got families to feed and we need to make sure that we are paying our teachers the right amount and giving them somewhere to go with that so they feel an ownership within their career.

At the same time, if there is going to be wage changes, pragmatically there will probably have to be working condition changes as well. Most teachers I would argue—the ones who are committed—do about a 60-hour week. I would like to see wages significantly increase but maybe we should also be moving to a different structure of teaching where they are in the actual school building for longer so they can do their administration, their marking then. I would like to see teachers have less time in the classroom, partly to do more of the preparation rather than rushing it at home and on weekends, being distracted by family and other commitments. And more teachers cooperatively sharing classes; not necessarily at the same time but maybe over half a week. Instead of having one teacher for one class, have two teachers for one class where one teacher is there for half the week, the other teacher is there for the other half of the week, but they are doing crossover administration and preparation together and supporting each other. If they work collegially then they can bounce ideas off each other how to support each class and therefore get better results. There is a fundamental change to a structure that we have had in place for the last hundred years that we may be need to rethink in the modern workforce.

**The Hon. COURTNEY HOUSSOS:** I have two more questions. I just wanted to come back to your UK example and I am perfectly comfortable with you using personal anecdotes to illustrate it. You progressed after five years to senior teacher. Is there another teaching role in the UK other than senior teacher or is that it?

**Dr ROY:** We also have what are called "principal teachers". It was very confusing when I came to this wonderful country because I was a principal and people did not understand that just meant a head teacher; it is all reversed in the UK. There is still the promotion of a department head or an age and stage head which we have here. Those are good things to have as well. They have a more administrative role within them and a leadership role in a more hierarchical manner and I do not think that is necessarily a bad thing. That is part of the progression through into the senior management of the school.

One of the other things that would be beneficial to have is more learning support teachers. They are not teachers' aides. They are qualified teachers and they work with all children, going into classrooms to support teachers in meeting kids' learning needs. They work collegially rather than having targeted children that they work with because when you have targeted children that you work with, that creates an isolation for that child within the classroom and can be detrimental to their learning experience. Having a learning support department—which is what you find in some UK schools—where they are a specialised teachers to support all the learning needs as an add-on to the mainstream, say, French teacher or History teacher.

The Hon. COURTNEY HOUSSOS: In your recommendations you talk about the need for an independent education institute, can you provide any reflections? In the Government's submission they talked about it and we had the CESE here this morning, the School Leadership Institute within the Department of Education. Can you provide any reflections on whether you think they are fulfilling that kind of role or whether there would need to be a new organisation?

**Dr ROY:** Again, that is an internal role and I have problems with internal roles being the only system that we have because there are biases within systems. I do believe there should be outside systems. There should be some form of outside research institute for education where they are recommending best practice. I very much see education as encompassing not just the public education but the Catholic and independent; the Minister for education is responsible for all three. I find it quite disconcerting when I watch budget estimates—and I am very sad, I am one of the people who watch the live stream every year, both Federally and statewide—

The Hon. COURTNEY HOUSSOS: It is nice to know that we have an audience somewhere.

**Dr ROY:** You have an audience of at least two other people who do so as well. We have the Minister and they are flanked by the Department of Education. I want to know why the head of the Catholic education system is not there or some representative from the independent system, because I believe the Minister is the Minister for education not just for public education. That is why I would like a research institute to say, "This is a recognised international best practice" or at least evidence-based practice because we cannot always guarantee it is best given the context; what you do in Singapore might not necessarily be the same as Finland, might not necessarily be the same as New York.

You can cite which systems you want to embed within New South Wales but it gives a research base that would allow different education bodies or even schools to go and say, "This looks like something that has actually got some empirical evidence behind it" that we could then think about applying within our professional

development within schools. Again, it is that independence and openness and transparency; that is what we need more than anything within our education system. We should not have to ask some of the questions that are asked in budget estimates, why does that not get published so we can move on to the bigger issues? The numbers are there; there is no point hiding them. Though sometimes the way the numbers are presented you have to ask questions. When they do not consider a child with a disability in a disability unit taking a legal case under the Disability Discrimination Act to count as a legal cost for disability, you have to ask who is putting those numbers together.

The Hon. COURTNEY HOUSSOS: Stay tuned. We may have supplementary hearings in October. Thank you very much.

**The Hon. MATTHEW MASON-COX:** I want to pick up the systemic issues that you were talking about in a bit more detail. I have heard a few different suggestions from you, one being an independent inspectorate, one being a research institute in relation to best practice. I just want to understand. We have EPAC at the moment. Do you see that as being part of this independent inspectorate?

**Dr ROY:** No, I would see EPAC as being shut down, personally.

The Hon. MATTHEW MASON-COX: Okay, but the functions-

**Dr ROY:** We already have those functions to a degree by NESA. I am part of the home schooling consultative group in NESA and I have been quite impressed by what I have seen NESA doing. I am not someone who is a great fan of authorities, even though that is their name, but they seem to actually take a step back and look carefully at what they are doing and ensuring that they are meeting their public requirements. I am sure there will be flaws—you will know of them from your own personal experience—but they are saying they are doing they are doing. I would like to see a much more active inspectorate within New South Wales. We are a massive system; we are dealing with all the children in our State—they are our future—and I think they deserve to have an accountability for those who are in charge of them and preparing them for the future. I think, again depending on how it would be set up, an inspectorate that worked collegiately with all systems but was able to implement changes quickly and independently.

Listening to the session this morning there seemed to be a concept coming through that things are quite slow to change. With an inspectorate things would happen a lot faster. When you suddenly have an outside body that you are accountable to you tend to react faster, and our children age very quickly—within six years they are out of primary—and six months waiting for NAPLAN makes NAPLAN an interesting document to base future ideas on but is technically useless for the child that it is about because they have progressed from there. Having an inspectorate, with their reports, would also give us a much wider, more transparent view of what is happening across the board in all school systems. So yes, I would be very much for some form of inspectorate system to be set up.

The Hon. MATTHEW MASON-COX: And something akin to what is happening in the UK.

**Dr ROY:** At times some of the UK inspectorate systems have caused more problems because of political interference, I would probably argue, in certain areas of it, but in those inspectorate areas where they are kept separate from the politicians to a degree—no offence to any of them at this table—they seem to actually function much better.

Mr DAVID SHOEBRIDGE: But it is a very different landscape in the UK with their much more decentralised education.

Dr ROY: Which again, I get concerned at the lack of decentralisation here at times.

The Hon. MATTHEW MASON-COX: I think just before you came in, Mr Shoebridge, Dr Roy was mentioning the idea perhaps of separating the rural and regional from the metropolitan system.

Mr DAVID SHOEBRIDGE: I heard it upstairs, but thank you.

The Hon. SCOTT FARLOW: I might just pick up on that point in terms of where do we sit? I think your submission talks about some concerns about Local Schools, Local Decisions but then also, as you just expressed, some concern about centralisation. How do we fit that in the model? Is it a regional grouping that things are decentralised? Is that what you envisage?

**Dr ROY:** That is what I had much more envisioned. The problem I see sometimes with the Local Decisions model is that it is too local and there can be too many biases again with some of the structures. There

are some schools where it works wonderfully well because we have individuals and leadership within those schools who really care about the community and put the children and the families before their own personal needs. There are other individuals who we know have been moved into those schools partly because of their friendship higher up in the centralised system or partly to protect the centralised system because we promote so that you do not speak. I get lots of interesting emails from concerned teachers, from concerned parents about events and I do sometimes pass them on to people within—not necessarily in this room but I think I have with Mr Shoebridge before.

So yes, the regional idea would be there, there would still be an accountability; it would just be that there would also be more control within budgeting, within staffing, within making sure that schools are kept alive and viable in smaller countries, but also that schools did not get too large and become unwieldy. When you get past the 1,500 of a population of a school you have really got a mini city or state within there and that, I would argue, needs to be, again, split because when schools are too big it depersonalises it for the children and you can see that academic attainment goes down.

The Hon. SCOTT FARLOW: With respect to that regional model, how many schools would you say under that model?

Dr ROY: That means I would have to sit down and really work out a decision and plan.

The Hon. SCOTT FARLOW: Are we looking at something like 30 schools? Are we looking at something like 10?

**Dr ROY:** Thirty schools would probably be a good size because that makes it large enough to have an accountability without there being nepotism within it necessarily. I have heard talk from some people when we have discussed this that potentially making it more council-run or maybe linking certain councils together so they could run education systems. I am in the Hunter region so you could say Lake Macquarie and Newcastle and Port Stephens together as one educational regional area. There are different models that you could look at, and again you would have to put into place the pragmatic financial realities of what that would mean.

The Hon. SCOTT FARLOW: Just to move on a little bit, I really like your comments regarding the promotion phase for teachers, that effectively you are promoted out of the classroom if you are a good teacher. I know some schools that have used that model of being able to have, with their Local Schools, Local Decisions money, sort of teacher mentors put in place in the school, which I think is similar to what you were talking about being embedded in other classrooms after five years in the UK. Would you envision a stream perhaps where there is a management stream, which might be quite separate from being an educator, and then an educator stream being quite separate, different pathways?

**Dr ROY:** Absolutely. I think there are some great teachers who are not great managers but they get promoted into management positions and there are some individuals in schools who you can see would make great managers but they are not necessarily the best teachers and would be better within that management stream. So yes, I would see the two kind of dividing. As long as we make sure that there is not a status given of greater from one to the other, because as soon as you create that status then you create an imbalance in the system and it collapses. People who were in the teaching stream should not be given more administration duty because you get a larger wage—that defeats the whole purpose. We have to have it structured in such a way that the wages do increase and that we use the skills that individual has to make sure that kids benefit, because always it should come down to will this impact beneficially on the majority if not all of the children within that schooling system?

**The Hon. WES FANG:** Just one question. I noticed in your submission you talked about separating the ministry from the department. If that was the case, do you think that we would end up with effectively Treasury running education from a State standpoint?

Mr DAVID SHOEBRIDGE: Running more of education.

**The Hon. WES FANG:** No, no. How would you envision that working? It is a curious idea to me. We have got the ministry, in effect, also with the department, but then the Minister is in charge of non-government schools. How would you envision that working?

**Dr ROY:** I will frame it in a different way. Instead of thinking of it as taking the ministry away from the Department of Education, bringing independent and Catholic schools into the ministry—I think the ministry should be rightly in charge of education—and then take forward outcomes-based measurements to Treasury to say, "Look, we need to fund this and justify why", like any other department or ministry should do within a government. But I think that there is a confusion sometimes between the Minister's role and the secretary's role, that because they are so closely linked together it is hard to tell who is accountable for the element of education.

And actually to protect the ministry, or whoever the Minister would be, and the staffing within there is to make sure that the head of the Department of Education was accountable for the Department of Education, the head of independent schools accountable for that, and the ministry is then able to be more closely aligned with an organisation like NESA to say, "We oversee and we make sure that you are all accountable." At the moment, if I write to the Minister the Minister will often get the Department of Education to reply and I would rather get a reply from the Minister because I will write to the department if it is a particular department matter. Is that separation?

**The Hon. WES FANG:** I am curious as to how the budgetary aspects would work. We are here discussing outcome based funding but we have heard from early submissions that we are really talking about outcome based budgeting. If we divested the public education system from the ministry that is going to have an effect on the way the budgeting happens and how you envisage that will work. That is, in a nutshell, what I think we are here to look at.

**Dr ROY:** I guess we would again have the situation where the department or the Catholic education diocese or independent schools, who all get funding from Government, both State and Federal at different levels— but that is a different discussion. Who should get funding? They would have to justify what they are doing to the Minister who would then take it to budget—as I would argue should happen with infrastructure, should happen with all the different elements within government.

**Mr DAVID SHOEBRIDGE:** I think there are two different things at play here. Assuring accountability for all public money and ensuring some kind of Ministerial oversight of public expenditure that goes to Catholic or independent schools. I personally would support that. It is obviously strong and we should all support oversight of billions of dollars of public money. The other question about separating out the ministry department is more problematic. If we are not careful we will go down the path we have with police. There are good reasons why we have this division in police. But you tend to find that the commissioner is solely responsible for the operation of the Police Force subject to some kind of policy oversight by the Minister. Every time you have a tough political problem it is always an operational matter and it is the responsibility of the Commissioner and you do not have much political accountability. There are elements that I could see are positive but there are also challenges in doing that.

**Dr ROY:** I concede there will always be an issue one way or the other. My one concern is that the close alignment of the two just now keeps Catholic and independent schools separate from that. I would like to see all three systems treated equally.

**Mr DAVID SHOEBRIDGE:** At least the ministry, having a role that goes across wherever public funding is being used for education, should have a clearer oversight and this outcome based budgeting we are talking about should apply equally.

**Dr ROY:** And with policy as well.

Mr DAVID SHOEBRIDGE: I understand that.

**Dr ROY:** Did that help you?

The Hon. ANTHONY D'ADAM: Some of the other submissions have suggested performance based pay for teachers and I wanted to invite your comment about that. You talked about the remuneration side of things.

**Dr ROY:** The big element within that is how do you measure what is performance. I do think you can measure performance. I think you have to be very careful about it. All children are different and depending each year what cohort you get can be a very different teaching experience for you as an educator. Whether it is schools in primary and secondary, and even for myself now at university level, each year is a different grouping and I kind of go, "what did I do wrong that year". Over a longitudinal timeframe you can actually see the individuals do give an add-on or not towards children and their progress and you could actually measure and say this teacher is able to give an add-on to kids within the classroom.

You could also say this teacher continually does not seem to create any progression with kids in the classroom over a longer period of time. Just financially remunerating that I think is concerning because that creates the capitalist within all people that will maybe make them teach in certain ways to gain certain financial benefits. Potentially that would not necessarily be educationally beneficial to the children in front of you. I do think we need to measure teacher quality. I do think we need to measure what teachers are doing in the classroom over a longer period of time and celebrate what they are doing well and also deal with those teachers who require support mechanisms or, when those fail, work to remove them from the classroom.

We have some fantastic teachers in the classroom, we have some horrendous teachers in the classroom and we have all experienced them in our own time with our children or our family's children. We do not have in place in this system ways to remove teachers who are underperforming consistently, let alone those teachers who are actively harming children. For me the whole principle of teacher quality and schools comes down to Maslow's hierarchy of needs. We have got to have children who are safe, first. We must deal with that fundamental before we can try to educate them.

Once we have them safe we can then think about how do we create a secondary need of learning and support them within that. We need to recognise those teachers who are doing good practice, many potentially down the wage scale for the senior teacher concept I was suggesting. We also need to see there are teachers who need support within their practice because they want to do well but they are struggling, as individuals do in any job. There is a minority group who you could say we need rid of you because you are harming the system. That is the difficult one to put into play. We have to deal with that or we are not going to improve our system.

**The Hon. ANTHONY D'ADAM:** Do you think that is attached to the remuneration system? Presumably that is quite a distinct problem from the monetary incentives.

**Dr ROY:** I get concerned. I can see why we want to have a monetary system within it. I am not sure fundamentally it would work in the long-term. I think it could potentially be detrimental because education is not like a legal business. It is not there to make money. Education is there to create good and to educate children. It is very hard to monetise that element of it. Sadly that is how society values things too much. I am not convinced about monetising performance. Where they have tried to implement it in America in—not independent schools, there is a special name, charter schools in the United Kingdom—it seems to have fallen on its face to a degree. I would be wary of monetising it but I still think we need performance targets. If we do not then we have to ask why are we calling it a profession because every profession has that form of measurement.

**The Hon. ANTHONY D'ADAM:** On the performance side of things, we talk about the whole school system but actually the environments are quite different from primary to secondary. Would it be fair to say that there is added levels of complexity in terms of assessing the value-add in high school where students move from teacher to teacher, as opposed to primary where they have generally a single teacher they are dealing with day to day where perhaps the value-add is more explicit and the agency is easier to identify in terms of teacher contribution?

**Dr ROY:** Actually I would probably say the complexity is different not more or less complex in one system. Within the secondary system, because you have teachers dealing with specialist areas, you can actually isolate to some degree how progression is within that siloed curriculum area over a long period of time. Again, it has to be over three, four, five years. You are looking at how an individual impacts large cohort progression over time rather than looking at one cohort and how they get added to by an individual teacher. Am I making that clear? You can do it with either, it is just having the right measurement for it.

**The Hon. ANTHONY D'ADAM:** Earlier in your submission you mentioned about resources going to specific areas. There was a disparity in terms of the resource allocation. In the larger system resources often get channelled into specific areas, something along those lines, can you elaborate?

**Dr ROY:** You are probably not going to struggle to find resources in a North Shore school as you would in Wilcannia.

#### The Hon. ANTHONY D'ADAM: Is that the community?

**Dr ROY:** Because of moving staffing and finding places for staffing and physical resources. They often can move towards the urban areas where there is wider awareness of that community across New South Wales.

The Hon. ANTHONY D'ADAM: Are you talking about intangible resources? Attracting teachers who are more experienced?

**Dr ROY:** Both the tangible and the intangible. How money is used within schools is quite interesting. Say there is a child who has money attached because they have a recognised need. That money is attached to the child until the child enters the school gates, then the money gets given to the school. That money goes into their bucket—their pail. How the school uses that money is up to the local school—the principal. Say a child comes from a low SES, is Aboriginal and has a disability. They could have three buckets of funding attached to them. As soon as they go into the school those three buckets get given to the principal who says, "I only need to use one of those buckets. I'll use the other two buckets to do something else in my school," such as buy a new smart board or something like that. So there are questions about how resources are used within schools. There are obviously questions about where resources go within the State.

There was a great statement made by the Department of Education members earlier when they said that sometimes a school that is having a challenge in meeting an outcome needs more resources. I would argue that that is exactly what should happen. When schools appear not to be hitting targets—be it literacy or numeracy or whatever the area is—they need greater investment. It is when that investment is still not having fruition, and the measurements are not working, that you look at the bigger picture, saying, "Actually, do we need to do something radical to this school—changing staff, build or whatever?" You need to try to put more resources into support the need before you take it away.

**The Hon. ANTHONY D'ADAM:** Isn't that geographical inequity that you just spoke about an argument against a more regional approach to departmental administration?

**Dr ROY:** No, because if those regions had a bucket of funding, as it were, to use they could then target within their region how to use it to the best area and share resources within smaller communities. At the moment, from what I see, that is not what happens all the time in the system. I am not saying this is an area that this happens in but I could choose as an example Dubbo. Their area could then say, "We have a targeted need here for this." We could then focus on that rather than having to get approvals and checks and balances from Parramatta that could take so long that it will not happen. It can be more responsive if it is regional. I just worry about it being too local.

**Mr DAVID SHOEBRIDGE:** Just a few questions. Their Futures Matter, which the education department is now a part of, is about vulnerable young people. It has two broad categories of vulnerable young people. One is aged nought to five and the other one is aged 10 to 14. Do you have any concerns that by focusing on those two target groups the education department are going to be missing the crucial first few years of education for kids, particularly if they have special learning needs?

**Dr ROY:** I worked in primary and secondary as a teacher. Working in secondary I can tell you that those kids that came into year 7 had already been formed in where they were going within their educational journey. You try to support them as best you can but a lot of the benefit or damage had already been done. That five- to 10-year-old age bracket that does not seem to be part of the system or the targeted group, as you were saying, could potentially diminish the 10 to 15 targeting and mean it not as effective as it could be. Kids all develop at different ages so if we are going to do zero to five and 10 to 15, we have to have that five to 10 as well. We have to have it continuing.

Mr DAVID SHOEBRIDGE: I am sorry, you did say earlier that there had been a committee established which you had been—

Dr ROY: Asked to be part of.

Mr DAVID SHOEBRIDGE: What is the name of that committee again?

**Dr ROY:** The Disability Strategy Reference Group.

**Mr DAVID SHOEBRIDGE:** Surely, how to address those targeted groups of young people from Their Futures Matters should be put to your committee, I would imagine. Has it met yet?

**Dr ROY:** It has never met. I have just been informed that I am part of it. I have no idea who else is part of that, but it is role will be purely consultative. I assume ideas might be suggested and then who knows what the department does with them.

**Mr DAVID SHOEBRIDGE:** The last thing I want to ask you about is targets. We have had a fair amount of evidence that the department is pulling together targets and waiting to get ministerial sign-off on them. Do you have any suggestions about any specific targets that should be adopted to deal with kids who have special learning needs? I am more than happy for you to take it on notice.

**Dr ROY:** I can probably say this off the top of my head, if that is okay with you. Yes, I want to see what targets—how have children have progressed. Have you got any target to say where have they moved forward from where they were before, when they entered into the education system in literacy, numeracy and in the arts and sciences and physical coordination? In all these areas we should be saying that they're not unlike any other child. They should be given set goals that are achievable but also stretching them.

Mr DAVID SHOEBRIDGE: You are specifically focusing here on children with special learning needs.

Dr ROY: Yes.

**Mr DAVID SHOEBRIDGE:** In terms of trying to work out what that means, surely, as the Hon. Courtney Houssos established earlier, we need a definition about what "disability" means. Does it include attention deficit disorder [ADHD]? Does it include the full spectrum of kids who are diagnosed with autism? What is the definition that the department is using?

**Dr ROY:** What we should be using is what everyone else is using currently. I do not necessarily agree with it but it is the standard—that is the DSM-V. I prefer a different one—the Clinically Administered PTSD Scale [CAPS] system—the IOC—but we have to work within the parameters we have.

The Hon. COURTNEY HOUSSOS: Just for Hansard we need—

**The CHAIR:** Can you spell out the acronym.

#### Mr DAVID SHOEBRIDGE: DSM-V.

**Dr ROY:** It is the American Psychiatric Association measurement of disabilities. I do not necessarily like that one but it is the one that has been adopted by Australia. Technically we should go back to the idea of learning need and say, "What are the learning needs that we have? Are there any recognised barriers that cannot be changed but can be supported?" I guess that is where the measurement of ADHD or dyspraxia or autism would come into it. But that should be secondary. Or wheelchair access or visual impairment. But the first thing should be the learning need, and how we meet that—and that should be for any child. Does that help?

### Mr DAVID SHOEBRIDGE: It does.

The CHAIR: Thank you, Dr Roy, for your evidence and contribution, which has been fantastic and very useful to the committee.

#### (The witness withdrew.)

### (Short adjournment)

## GLENN FAHEY, Research Fellow, Education, Centre for Independent Studies, sworn and examined

**The CHAIR:** Welcome to Mr Glenn Fahey from the Centre for Independent Studies. I thank the centre for the high-quality submission that it made to the hearing, which made a number of excellent points. Would you like to make a short statement at the beginning of your evidence?

**Mr FAHEY:** Yes, very briefly. I thank the Committee, first of all, for the opportunity to be here today and provide evidence and, of course, for the very stimulating inquiry itself. I am here today representing the Centre for Independent Studies. We are an independent public policy think tank based here in Sydney. The work we do is driven by a commitment to a free and open society and contributions from our organisation across education policy have been commonplace for the last 20 years or so. We are non-partisan, independent, do not do commissioned research and we do not receive government funding of any kind for our work.

The CHAIR: Thank you. It seems to me that your submission is based on the value of evidence-based programs in education. I think the centre is to be congratulated for the focus it has had in that area, particularly Jennifer Buckingham's work on literacy over the years, which has been invaluable. How would the centre advise this Committee on our core challenge: that is to note that everything in the education area has been studied over the years. We pretty well know what works and does not work in the schools. There are a small number of disadvantaged government schools out there who, against the odds, get amazing results adding value to their student achievements. Despite the evidence and those examples, not much of it has been scaled up and overall New South Wales education results have been going backwards. How do we scale up and, in particular, what role can either outcome-based budgeting or outcome-based funding play in achieving this important goal?

**Mr FAHEY:** Thanks, Chair, and thanks for your recognition of the centre's work. I am proud to say that we have had a longstanding commitment to studying evidence-based practices in schools. Some of the recent work you have just alluded to around overcoming the odds has focused on particularly schools that suffer from disadvantage and how they have gone about addressing that. To the substance of the question, we already have in New South Wales the privilege of an area of the department that looks explicitly at what works best in schools, and much of the work that CESE does can be commended and is about trying to scale up those practices that are found to work well in schools across the State. I would add that some of the recent work of the Centre for Education Statistics and Evaluation [CESE] has outlined a few practices, like explicit instruction, teaching of phonics, the delivery of high expectations in schools, which all coincides with the findings of Centre for Independent Studies [CIS] research as well.

**The CHAIR:** But what is the next step? How do we scale that up? We know what works; CESE and other organisations like yours have defined it, but it is not practised universally in classrooms across the State. We are interested in ideas for scaling up either in the funding system or any other means—sort of a "whatever it takes" philosophy to try and get these results to be universal.

**Mr FAHEY:** The question of scaling up is exactly the topic of a conference I was at just last week. You would be familiar, Chair, with the work of Marsden Road Public School and the great work that they are doing there. Exactly that question was how to scale up the practices that they know have worked in their school so that other schools can do the same. There are other examples in the State—like Blue Haven as well, up in the Central Coast—that are doing the same kinds of things. I think that the work that the department does in sharing those best practices is an important step toward that. In terms of what the funding model can do, there are limitations to what just funding will do. Certainly the current approach, which has been essentially to fund only on inputs, is certainly going to be insufficient if we are to expect a flow through towards better outcomes long-term. We can see that business as usual is delivering a decline in student achievement across New South Wales and the Committee was right to express concerns around that this morning in the proceedings.

The CHAIR: Can I bring you back to something you mentioned earlier on, about the work in the area of disadvantaged schooling. I was very struck by the report that Blaise Joseph produced about the small number of disadvantaged schools that are getting quite amazing results adding value to their students' education. Can you give us a summary of what you found in that report? I know Blaise could not be with us today because he is on leave, but I think it was fairly instructive what he said about Marsden Road, Blue Haven and Canley Vale High School. They are not actually mentioned in the report but I gather they are the three exemplar schools in our New South Wales system. He had five or six common themes that made them successful.

**Mr FAHEY:** That is right. I will not list all of those because they are not all top of mind, but I can certainly reference the report *Overcoming the Odds* and *Overcoming the Odds 2*. There are now two versions of the study and we hope to do more of that kind of work because we think it is immensely valuable. We did present

that work down in Melbourne a couple of months ago and other teachers responded very positively to that work too and also shared that that was more or less their experience in the profession as well. Those items discussed and I have already outlined some of those—include high expectations. They include a whole-of-school approach towards matters, so individual teachers are not left on their own; work is done and policies are run systematically throughout the school. Explicit instruction is a common theme, particularly in disadvantaged schools. What I mean by that is that learning is driven by a teacher, not by students. Of course, it has become very popular in some education circles to see more non-traditional approaches towards teaching and learning, and I think that it is fair to say that in many disadvantaged schools in particular those kinds of approaches are not found to be particularly successful.

The CHAIR: You mentioned the presentation about Marsden Road Public School at a conference full stop this is based on the Michaela model out of London, which has gathered some notoriety—as I suppose all things do in the United Kingdom these days. Do you think there is a resistance—I am interested in how the Marsden model was received at the conference. This focus relentlessly on school discipline, on structure, on order, on minimising teacher talk time so the students are maximising learning time is a sharp departure from some of the so-called progressive models of classroom instruction that we have heard about—or lack of instruction—in recent times. Have you got some ideas or feedback about how that Marsden or Michaela model is being received in other parts of the education system?

**Mr FAHEY:** You are right to say that that progressive approach has received some support from some people within the profession, and certainly some other international bodies in particular have been quite prominent in their support for that kind of approach. I think it is fair to say that there is little evidence to date that shows that these kind of approaches are very successful, at least on scale. It may be the case that some kind of students, and particularly students that come from more privileged backgrounds, can tend to follow more progressive approaches because they have already got solid foundations in foundational learning and they often have strong support from home as well, which can complement the kinds of approaches that come out of that progressive approach.

**The Hon. ANTHONY D'ADAM:** Are you proposing a two-tier approach to education? Is that what you are suggesting?

**Mr FAHEY:** Not at all.

**The Hon. ANTHONY D'ADAM:** That those who are socio-economically disadvantaged get a different style of education to those who are from more advantaged backgrounds?

The Hon. WES FANG: I think you are putting words in his mouth and I think he needs to continue answering the question.

The Hon. ANTHONY D'ADAM: I am asking. It is a question.

**Mr FAHEY:** I think that is an unfair characterisation. I would also add that there are different models of learning within our school system already. Within the non-government sector there are different approaches that are taken in certain schools and parents are free to make decisions if they see the merit in particular styles of education. I think most parents, when asked today whether their school delivers the kind of education and approach to learning that they value—I think that many would prefer to see more of the traits that you have described a moment ago, Chair.

The CHAIR: Yes, I think Blaise Joseph's report made an interesting observation about the usefulness of inquiry-based learning in disadvantaged communities, because if you do not grow up in a house full of books and research techniques, then it is so much harder to be a self-sufficient inquiry-based learner in the school than someone who does grow up in that environment, where they have been used to research habits even from very young ages. He draws a distinction—and I think it is backed by the evidence—that inquiry-based learning programs do not work as well in heavily disadvantaged areas and it is not too hard to understand why. I think that is the point that came out of his report.

The Hon. MATTHEW MASON-COX: Thank you for coming in, Mr Fahey. I want to ask you about this morning's evidence. I think you heard some of that this morning?

Mr FAHEY: In bits and pieces, yes.

The CHAIR: On the website.

The Hon. MATTHEW MASON-COX: Good on you. I wanted to get your thoughts on, I suppose, the challenges faced by the education department. I think there was some acknowledgement this morning that with

the outcome-based funding model and measurement and the like and the changes over the last few years, the fact that we are spending more money and we are going backwards in terms of outcomes, that things need to change. The question is: How do they change and how do we start to implement best practice across our schools using some of the observations you have made in those recent studies and the like, and driving it forward with the necessary carrots and sticks to see some outcomes improve over time? In particular, I want to get your thoughts on the idea that we need to set up some sort of independent inspectorate to help drive change and improve accountability and to ensure that we have the right sort of feedback loops to push things into the future as quickly as possible.

**Mr FAHEY:** Sure. It could not hurt at this point in time. It is true to say that NESA in its current form is probably not truly independent and that does compromise the work that is done. There is a strong culture of inspections in European countries in particular and it takes a much stronger role in the way that school accountability takes place. It would probably also be wise to not focus just at school level as well. In the submission there was a heavy emphasis on the role of teachers and the work here in Australia and elsewhere, but particularly here. Professor John Hattie has emphasised that the role of the teacher and the standard of teaching is the most important and most critical factor in a student's achievement. It is important that any approach that is taken cannot bypass teachers. If it is just at the school level only that we hold accountability, we could potentially resign ourselves to more of the same.

**The Hon. MATTHEW MASON-COX:** You have made some comments about performance pay and incentivising teachers. Would you like to elaborate on that to the Committee?

**Mr FAHEY:** Yes. Performance pay is probably not a new concept at all in education. It has been tossed around particularly in the US context since at least the seventies. The point behind performance pay, much like all areas of work, is that there is at least some portion of salary that is available for teachers that excel; that portion can vary. The example I cited in the submission was the case of a system in Washington DC that had an emphasis on awarding bonuses to high achieving teachers. That was for around 29 per cent that was available in the form of a bonus. In terms of exact numbers it is appropriate for the Committee to reach a determination around that if it comes to that opportunity. I will also reference that when it comes to universities the Wellings review recommended up to 7½ per cent of the funding to be available for performance-based incentives.

The CHAIR: How much was that? Seven?

Mr FAHEY: Up to 7½ but starting in at 2½ per cent so it was gradually increasing.

**The CHAIR:** Two and a half going up to 7<sup>1</sup>/<sub>2</sub>?

**Mr FAHEY:** That is right.

The Hon. WES FANG: Is that measured purely on student outcomes or is it measured on a number of factors? For example, student experience and the depth with which a teacher may go into topics that cannot necessarily be measured by testing?

**Mr FAHEY:** Specifically with respect to Wellings, that is about universities funding and I would have to take on notice specifics about the recommendations there and the exact measures used. In general terms, when we talk about performance pay and incentives, of course student achievement has to be part of that mix but I think it would be unfair to say that should be the only measure included. The Productivity Commission did some great work on this in the Schools Workforce inquiry back in 2012. That provided ample evidence to suggest that student achievement should take a bigger role. The other things that are important toward teachers contribution to learning and also towards their school's performance are things like the contribution towards the school culture and the school community, their work in preparing documents and content for a department and obviously classroom observations and so on.

**The Hon. ANTHONY D'ADAM:** Are you suggesting there a motivational problem with teachers? Is that why you think performance pay is an appropriate solution, that teachers are not properly motivated to do their professional laurel for their students?

Mr FAHEY: I think teachers are just like the rest of us and at certain times motivation plays a role.

**The Hon. ANTHONY D'ADAM:** Is there evidence that motivation is the issue that we need to address with interventions like performance pay? Do you have evidence of that?

**Mr FAHEY:** The work of Professor Stephen Dinham, that you may be familiar with, from the University of Melbourne. He has identified a lot of teachers that tend to leave the profession after eight to 10 years which is

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around the time that pay also peaks. Based on that evidence it would be fairly clear that as people are starting to hit that wall where there is no longer or fewer opportunities for—

**The Hon. ANTHONY D'ADAM:** That might suggest a couple of things, would it not? The overall remuneration of the profession needs to be boosted. It does not necessarily mean that they are leaving because of a lack of motivation. Do you care to comment on that?

**Mr FAHEY:** There is some work done by—I will have to take on notice the specifics—but a researcher that did find a concern about having insufficient reward or insufficient opportunities to be rewarded as a key motivator for teachers leaving the profession. I would also add that in a study or a survey from the OECD, that 90 per cent of teachers reported in that study that they felt their achievements would be unrewarded in school.

**The CHAIR:** Can you take those studies on notice and provide information, either directly the studies or a summary of them, to the Committee? The three that you have mentioned there?

Mr FAHEY: Certainly.

The CHAIR: I come back to the Wellings report. How much potential is there for its findings to guide this Committee and our deliberations given that they looked at a similar issue—outcome-based budgeting or funding at the Commonwealth level—where, as I understand it, universities have criteria in four or five areas they need to meet about equality and equity and access and graduate scheme jobs and so forth, to qualify for Federal growth funding. If you qualify you will get some funding that lifts the cap on undergraduate places which has been in place under this current Government since 2013. Is that an accurate summary of it and it is directly applicable to what we are doing here with schools, is it not?

**Mr FAHEY:** It certainly resonates and I would recommend that the Committee does look closely at the mechanics of that. The approach towards funding there is a proportion of the budget so it is not to say that institutions receive less funding—

The CHAIR: Growth money.

**Mr FAHEY:** It is to say that growth money is available and on hand for recognising institutions that perform better than others.

**Mr DAVID SHOEBRIDGE:** I am not quite sure what your view is about performance-based funding. If a school is underperforming are you suggesting that they should have reduced payments?

**Mr FAHEY:** I have to be clear. When I mention around—the way that outcomes are measured is a very specific kind of measurement and I am not saying that schools that achieve poorly should therefore receive less funding or anything like this. It is to use what is called the "value-adding" approach. Basically, what is done statistically in that approach is to look at the contribution of teachers towards student's learning. That includes accounting for factors around disadvantage and so on. It certainly is not the case that operating in a disadvantaged school puts a school or teacher at any additional risk of being identified as underperforming.

**Mr DAVID SHOEBRIDGE:** I am reading your submission. Under teacher performance pay you say, "Researchers studying this model"—and you are talking about a bonus plus potentially punitive element including risk of dismissal—"found that simply introducing the threat of possible dismissal increased the voluntary attrition of low-performing teachers". That is what you say; you cite one study. Then you talk about there is evidence to suggest that even the best system that is oriented only on positive accountability is limited. I am just wondering what your suggestion is if teachers are not meeting the standards you put, are you suggesting their pay should be docked, they should be dismissed? What is it that you are proposing?

**Mr FAHEY:** I think it is fair to say that the Auditor-General's report was quite clear that underperformance is not managed in schools currently, and that is also backed up by OECD research that 70 per cent of teachers reported that underperformance goes unaddressed in school. I think it is fair to say that at the moment we do almost nothing on the negative side. Only 53 teachers in the State are identified on a performance improvement trajectory. I think that is 0.1 per cent of teachers and I think that that is probably lower than what parents or teachers would—

**Mr DAVID SHOEBRIDGE:** I am just simply asking you the question: if you are saying it should be carrot and stick, what are you saying the stick should be? Are you saying individual teachers' pay should be docked? Are you saying schools should be financially punished? Are you saying teachers should be sacked? What are you saying the stick should be, because that is what you are proposing?

**Mr FAHEY:** I think a threat of dismissal should be part of the suite of options there. That does not mean that results have come in and we go around and slash and burn through a school's teaching workforce. It is important that there is obviously that element of support that is available to teachers identified as underperforming.

**Mr DAVID SHOEBRIDGE:** So threat of dismissal. Are you proposing to financially punish schools that are not up to scratch?

**Mr FAHEY:** I think not the school per se but the teachers that are identified as underperforming, and continued sustained underperformance, I think that should be fair game.

Mr DAVID SHOEBRIDGE: "Fair game" meaning dock their pay?

**Mr FAHEY:** I think that certainly ineligibility for increases. At the moment many of the increases in wages occur essentially automatically through centralised wage determination, and I think that seems perverse for a system to continue to reward teachers with additional salary if there is evidence to indicate that there is little or no contribution towards student learning.

**Mr DAVID SHOEBRIDGE:** There are almost no studies globally that deal with any of these kinds of arrangements that you are proposing. The one study you reference, which is the study in Washington, did not include these negative elements at all, and yet you reference it here as though it does. That federally funded program in the US did not include these negative elements. Are you aware of that?

**Mr FAHEY:** What you are describing is there is a two-year window; so teachers that are identified as underperforming are given at the end of the first year the evidence collected as part of the appraisal process and provided a year in which to make improvements and they are provided the support needed to do so.

**Mr DAVID SHOEBRIDGE:** There was no threat of dismissal, there was no threat of having their pay docked at all; it was about positive incentives. That is how it got through Congress, that is how it ran, and none of these threats of dismissal or other penalties were part of that program.

**Mr FAHEY:** I can reference to the Committee the paper that is referenced. That is titled *Incentive Selection and Teacher Performance: Evidence from IMPACT*, and that is authored by professors Thomas Dee and James Wyckoff in the *Journal of Policy Analysis and Management* in 2015.

**Mr DAVID SHOEBRIDGE:** Could you take on notice whether or not that is consistent with the US education department's own review, which is their evaluation of the Teacher Incentive Fund that they did in December 2017?

Mr FAHEY: Yes, I can take that on notice.

**The CHAIR:** We will have the battle of the reports—that is on notice—and we will look forward to information on that accordingly.

**The Hon. ANTHONY D'ADAM:** Just coming back to the performance-based issue, you say in your submission, "To be accurate the model employed must precisely measure individual teacher value-add by correctly isolating the individual and school factors." How do you propose that that might occur and how would you account for something like the contribution of exterior coaching, which is a phenomenon that clearly a lot of kids are now coached and that has an impact on the results that they achieve through their schooling? How do you control for those kind of impacts in terms of trying to assess precisely the individual value-add?

**Mr FAHEY:** It is certainly a valid point in our external tuition that certainly existing data collection has no way to capture. I think that is certainly a valid point to make because some students do gain from learning that happens outside of the classroom, and that is always a difficulty, and it includes parental involvement and factors like that that at this time we do not collect information on. In terms of evaluating, we already have considerable work undertaken by CESE into proposals and applications.

The Hon. ANTHONY D'ADAM: As I understand, but that technique does not control for that factor, for example.

**Mr FAHEY:** It does not control for that factor but it does control for many things. There are very talented people that work in statistics and educational assessment that are certainly well placed in terms of being able to identify those kinds of traits. I can also reference to the Committee that in Bill Louden's report into the NAPLAN reporting he identified several systems that do report and collect data on value adding.

The Hon. SCOTT FARLOW: Just to pick up on that point, I guess one of the concerns we all have is that we want to be comparing apples with apples and not apples with oranges. Are there any metrics in particular

that you would see, and I imagine there are sort of multifactor metrics that would look at SES and, to that point, that value add? Is there a gold standard in that regard?

**Mr FAHEY:** It is hard to say there is a gold standard. I think it is fair to say that in terms of the work that has been done here in Australia we have been fairly arbitrary in the items that have been identified through the Gonski review and so on as being factors that contribute towards educational disadvantage, some of which are absolutely right and some others that probably need a closer look. I cannot reference to studies that have done an exceptionally good job at this point in time. I think we have got great capacity here in the department to do some of that work, and CESE has been quite active in that space and has put a lot of work into their statistical capabilities.

**The Hon. SCOTT FARLOW:** I know you have listened to some of the evidence today. I am not sure if you heard our Treasury representative say this morning that in terms of what we are looking at it is not outcomes-based funding but outcomes-based budgeting. Did you hear that earlier today?

Mr FAHEY: Yes, I did.

The Hon. SCOTT FARLOW: Your submission deals a lot with outcomes-based funding. Are you aware of other outcomes-based budgeting models and how they work globally?

**Mr FAHEY:** I can comment that the OECD conducted a school resourcing review and part of that process was a stocktake of different approaches that are taken towards outcomes-based funding, outcomes-based budgeting and so on, different kinds of approaches, and it did find that a lot of countries were essentially in a similar boat around outcomes budgeting but not quite to the outcomes funding, in line with the discussion this morning. If I can take the opportunity to say that I think that this is a great opportunity to try to push the needle in terms of outcomes-based funding, and outcomes-based budgeting I think in the main is at least 90 per cent business as usual. We probably would be surprised if we saw significant systematic changes in the approach taken if we do not take the opportunity to progress further.

The Hon. SCOTT FARLOW: So your evidence effectively is that to push the needle you need outcomes-based funding, not just outcomes-based budgeting?

Mr FAHEY: Exactly right, because you are not altering the fundamental incentive structure or the like.

The Hon. SCOTT FARLOW: With respect to other global models with outcomes-based funding, to move back to that, what sort of consideration do they take in the case of lower SES schools, disabilities and the like in terms of the funding model?

**Mr FAHEY:** Disabilities or students with highly complex needs I think is always going to be a hurdle, but that is not a reason to not proceed down a path that does this, because if any students in the country need better measurement of their achievement and their progress in learning it is students with complex needs. There is not great data on this in the US because a lot of students with complex needs tend to operate outside of the public system. So it is difficult to draw or to match the two bits of literature that hit outcomes-based funding approaches and students with complex needs. So on that front, unfortunately there is not a lot of research to point to, only to say in more general terms that I think that at this point in time we do not do a good enough job in measuring the outcomes of students with disabilities and many do not participate in NAPLAN, which means we have not even a base level of understanding of their learning progress; so all the more reason to have approaches like this that might help us get better at measuring their progress and learning.

The Hon. SCOTT FARLOW: With respect to your submission, you make quite a few comments encouraging more autonomy for local school principals, particularly when it comes to pay and performance and giving the principals the ability to determine pay of teachers in schools: How far would you see that decentralisation going? We have had heard some criticism of Local Schools Local Decisions but we have also heard advocacy today for more decentralisation. I am interested, would you give principals the entire budget to work with within their school premise, including staffing costs? Where would you draw the line?

**Mr FAHEY:** I think staffing costs has to be part of it. Up to three quarters of a schools' budget is spent on wages of teachers. I think it is a mischaracterisation to say that Local Schools Local Decisions gives control of a sizeable share of the budget when you do not have much influence over the pay structure of your teachers. I think that when it comes to decentralisation and autonomy the decision around employment have to lie at the principal's level. The principal hears from parents every day, the principal sees interaction with other teachers and they observe their classroom practice. There is no-one better equipped to understand the performance and underperformance, where possible, of teachers in a school than at the local level.

The more complicated the overarching frameworks from departments and so on, the more that makes it difficult for school leaders to make the decisions they need to make to run the most effective organisations they can. Again to come back to the Auditor-General's report. It has identified that there is little performance management happening in schools and that is partly because school leaders have got limited recourse in the decisions they can make. They have also got to make reference to an inordinate number of teaching quality and performance frameworks at this point in time without having more measures that would help them to make these sorts of employment decisions.

**Mr DAVID SHOEBRIDGE:** That is not what the auditor's report said. The auditor's report was quite critical that already a whole series of discretions by local principals with no oversight and it was very patchy quality. The Auditor-General's report was not talking about devolving more decision-making down on to principals at all. You are mischaracterising the auditor's report.

Mr FAHEY: I think it is fair to say that the report identifies a gap in performance appraisal that is happening in schools.

**Mr DAVID SHOEBRIDGE:** It does. It says that principals are making decisions without any clear guidelines in an ad hoc kind of way and there is no oversight. It is hardly an endorsement of more autonomy for principals. It is raising a series of worrying questions about the way it is currently being exercised.

**Mr FAHEY:** The key difficulty that was expressed in this is that there are no consistent definitions around teaching quality that principals could have resource to.

Mr DAVID SHOEBRIDGE: All I am pointing out is you are mischaracterising the auditor's report and conclusions.

**The Hon. SCOTT FARLOW:** In terms of teacher quality have you done any assessment of programs like Teach for Australia—I know one of your colleagues went on to be a shining light for it—and its effectiveness in terms of improving teacher quality or changing the mix when it comes to the teaching profession?

Mr FAHEY: We have not yet but it is an important part of our agenda looking at initial teacher programs.

**The Hon. ANTHONY D'ADAM:** I draw your attention to something you mentioned in your submission. You talk about dependence on NAPLAN for student achievement information and as a consequence there is a need for teaching in New South Wales to reflect the national curriculum. That seems around the wrong way. Effectively the measure is the reason why we should change the content of what we are teaching rather than the content of the teaching driving how we measure. It highlights a problem with over-reliance on performance measures because ultimately they drive what we look at and often create blindness to what we do not look at. I ask you to reflect on that?

**Mr FAHEY:** I accept that criticism. I would say that at the end of the day NAPLAN is something that we have a national commitment towards. We have to participate in it as a condition of receiving Federal funding. There is certainly no reason to believe that we will no longer participate in NAPLAN. To the extent that we have committed to NAPLAN nationally we have also committed to a national curriculum. We had best make the most of those tests that we are spending money on and going through an exhaustive process to undertake. Best the content of those tests is reflective of the curriculum we have signed up to.

**The Hon. ANTHONY D'ADAM:** Is that not around the wrong way? Should we not be asking what should we measure first and then design measures around that rather than saying, here we have a measure let us adjust our teaching and learning to fit the measuring system. It seems perverse?

**Mr FAHEY:** The curriculum we have in place at a national level is intended to meet all the expectations for learning that we would expect in all the different core subjects and in terms of literacy and numeracy. The problem that exists at this point in time is that there is not a strong level of alignment between the curriculum and NAPLAN examinations.

**The Hon. ANTHONY D'ADAM:** You go on further in the submission. You talk about NAPLAN not being ideal and the associated problems with NAPLAN. I ask you for your observations. There was a report a couple of weeks back about teachers giving kids chupa chups and that having an impact on the NAPLAN results, highlighting how unreliable it is in terms of giving you an accurate picture of what is going on in the classroom.

The CHAIR: That was in Victoria. Are there any New South Wales chupa chups we know of?

The Hon. ANTHONY D'ADAM: The issue remains the same.

### Mr DAVID SHOEBRIDGE: Kids being asked to stay home.

**The Hon. ANTHONY D'ADAM:** The measure is weak. The measure has certain vulnerabilities that do not give us an accurate picture of what is going on. Why should we be redesigning our system to follow NAPLAN rather than find alternative measures?

**Mr FAHEY:** I think we have come a long way with NAPLAN and we can continue to improve it. I do not think it is perfect. Anything else we come up with is also not going to be perfect. The two critical elements of NAPLAN that could and should be improved. First is the timeliness. There is a long time delay between NAPLAN assessment and NAPLAN reporting. That makes it very difficult for teachers to meaningfully use the information in class. That is something that is being, in part, addressed through the transition to NAPLAN online. NAPLAN online is an adaptive testing of children. So it means that students get more challenging tests or more fit for their level tests. I think that is a positive development.

In addition to that there is the timeliness issue. It is available then as a diagnostic tool and available in a much quicker fashion, that would make NAPLAN more effective. I think it is unfair to say that NAPLAN is not serving a purpose. We want national standards and we have national standards for literacy, numeracy and language conventions that I think it would be unreasonable for us to abandon. I think we have a responsibility as decision-makers in education to ensure that we are doing everything we can to get the best results in literacy, numeracy and language conventions. The idea that there is somehow a golden alternative that would be better than NAPLAN unfortunately is not a reality.

**The Hon. COURTNEY HOUSSOS:** To the extent that you have not covered it already today, we have talked a lot about standardised testing and student results as part of what should be measured. What other things should be measured in our system.

**Mr FAHEY:** I mentioned briefly earlier certainly the classroom observation which is an important part in today's measurement system should be retained. We continue to have a need for contextualising overall results with observations of the actual conduct in the classroom. I think it would be unfair and not do justice to teachers to say their single number in achievement results tells the whole story. Obviously the performance in class is an important one. The contribution towards school activities. Teachers and colleagues and principals would be well aware that most teachers go above and beyond the classroom in terms of their overall work. That should be part of performance measures. Not all teachers do but the majority do make a positive contribution to their schools and communities. That should be part of any measure that goes forward. The engagement with parents. An important part of education in schools these days is the external face to parents, and maintaining an active and positive engagement with parents, and basic things like the contribution to course material and course delivery. It may be that departments within a school have poor resources. To what extent is that done in a collegial way? I think these kinds of things that are measured or observed locally certainly should be part of any performance measure.

**The Hon. COURTNEY HOUSSOS:** I do not disagree that engagement with parents is important. Certainly as a parent myself I think that is a really important part, but how do you measure that?

**Mr FAHEY:** We already have surveys in place. There are school surveys conducted nationally, and also a particular one conducted here in this State, that are used as a measure. Parents have an opportunity to respond to questions as part of that. Of course if we are attaching stakes to it I would encourage relooking at that to make sure it is fit for purpose a performance measure. At the moment it is just a broad indication of parental support. That is reported at a whole system level, not at a school level at this point in time. Certainly I think that surveying of parents is necessary in that situation.

**Mr DAVID SHOEBRIDGE:** I have two issues. You are talking about giving principals hiring and firing and wage-setting powers. Is that one of your recommendations? Is that right?

Mr FAHEY: I think it is worth considering flexibility in pay at least.

**Mr DAVID SHOEBRIDGE:** All the principals I have spoken to are already seriously overworked with their current duties. They are feeling like they cannot even touch the edges of the additional responsibilities they have been given with Local Schools, Local Decisions funding and getting additional responsibilities for data management and the like. They are already overworked. Have you spoken to any principals who endorse those additional duties?

**Mr FAHEY:** We have not taken a survey of principals in the course of this submission, but it is certainly true that principals want to have an active role in how their school is run, and they take pride in the achievements

that it makes and in the work that happens day to day. To ask them to be hands-off, I think would not be a fair characterisation.

**Mr DAVID SHOEBRIDGE:** I am just wondering if you have done any work to bridge this sort of ideological viewpoint and compare it to what it would mean on the ground—giving all that additional responsibility and work to principals who say that they are already, at least when I talk with them, seriously overworked. They have had a whole lot of additional duties handed to them recently without sufficient support. An ideological position is one thing, but do you have any evidence that it could be practical or would assist, given those pressures on principals already?

**Mr FAHEY:** I think it is fair to ask what those obligations or additional duties are that principals are facing. Local Schools, Local Decisions was never intended to be about increasing the workload of school leaders.

Mr DAVID SHOEBRIDGE: But it does.

**Mr FAHEY:** The evidence to date shows that it does, and that is something that the department should continue to work through to make sure that it works.

**Mr DAVID SHOEBRIDGE:** You are putting that pitch on a kind of theoretical basis—that in theory it would be good—but you cannot point to any practical engagement you have had with teachers and principals as to how it would work in practice. Is that right?

**Mr FAHEY:** In the most general terms the evidence from the OECD has consistently found that school systems with greater levels of autonomy and decentralisation perform better than other systems.

**Mr DAVID SHOEBRIDGE:** The idea of attaching teaching remuneration to standardised test outcomes—given your support for NAPLAN I assume that would be one of the measures—

Mr FAHEY: Part of it, yes.

**Mr DAVID SHOEBRIDGE:** We have already seen a series of reports and studies—I think the first one was done in 2012 and there was a more recent study published earlier this year—about how NAPLAN is already eating into the curriculum. Despite the promises, teachers are teaching to the test, and it is already eating into the curriculum. Surely you would acknowledge that if we added additional pressures on teachers—including tying their remuneration to the outcome—that problem will be aggravated. Do you have any strategies as to how, if your system was put in place, you would avoid aggravating that?

**Mr FAHEY:** I think it is fair to say that the curriculum is meant to be reflected in the NAPLAN examination. So if NAPLAN accurately reflects the curriculum then teaching to the test would be perfectly acceptable.

**Mr DAVID SHOEBRIDGE:** I know from my own experience of my children's education that at least one of them must have done 30 practice NAPLAN tests leading up to her test. That was not helping her on the curriculum. That was teaching to the test. If you read the reports that have been delivered, that anecdotal experience that I have had is reflected across the board. At least two-thirds of teachers are saying that they end up teaching to the test. You cannot deny the problem by just saying that NAPLAN magically responds to the curriculum. It is a problem, isn't it?

**Mr FAHEY:** The curriculum should be reflected in the NAPLAN test. That is the commitment that has been made nationally and what the education council has been tasked with improving.

**Mr DAVID SHOEBRIDGE:** But we know that there are teachers out there giving practice test, after practice test, after practice test, teaching students how to answer a test rather than fundamentally understand the curriculum. They are different things. Do you acknowledge that there is a problem there, at least?

**Mr FAHEY:** There is a problem in the extent to which the curriculum is not being reflected in the testing.

**The CHAIR:** If they are teaching basic skills so that they pass a basic skills test, I do not understand how that is a bad thing.

Mr DAVID SHOEBRIDGE: You tell that to a student doing-

**The CHAIR:** For kids who do not have basic skills out there, there is not much hope in life. If you can at least give them some basic skills through testing they have got some better hope, haven't they?

The Hon. COURTNEY HOUSSOS: I just want to come back to your comment that you made about-

# <u>CORRECTED</u>

**The CHAIR:** Kids cannot read and write by the time they get to high school. What have they been doing in NAPLAN? Diddly squat.

**The Hon. COURTNEY HOUSSOS:** Mr Fahey, you said just recently—I think it was your second last answer to my colleague Mr David Shoebridge that studies across the OECD where there are decentralised school systems consistently perform better. Are you familiar with the interim review of the Local Schools, Local Decisions that was released last year—in the middle of last year, I think?

Mr FAHEY: Not in detail, but in broad terms.

**The Hon. COURTNEY HOUSSOS:** It basically says that there has been a widening in the gap in terms of outcomes. Do you support Local Schools, Local Decisions?

**Mr FAHEY:** The principle of more autonomy at a local level, and certainly more flexibility in financial decisions that are undertaken at a local level, is something that I think there is evidence to support. Certainly from a values perspective I would support that kind of approach. I think that miring principals in red tape does not help them to do their job better. So I think we have some implementation issues based on the broad understanding I have of the report. I do not think that is a case not to have a program like Local Schools, Local Decisions. I think it is a case for identifying where those burdens come up and how we might go better about it.

**The CHAIR:** Thanks, Mr Fahey for your contribution—your evidence and the submission. We look forward to further education studies from the CIS and passing on some of that research that you took on notice.

(The witness withdrew.)

## DALLAS McINERNEY, Chief Executive Officer, Catholic Schools NSW, sworn and examined

DANIELLE CRONIN, Director of Education Policy, Catholic Schools NSW, sworn and examined

**The CHAIR:** Thank you very much, Ms Cronin and Mr McInerney, for your evidence today and also your submission. Would you like to make an opening statement, please?

**Mr McINERNEY:** Thank you, Chair and Committee members. Just a short statement, and happy to go straight to the document and other matters you might have. First, some background: Catholic Schools NSW is the approved system authority for the Catholic systemic schools in New South Wales. It is the successor entity to the Catholic Education Commission, which was in place and operating for approximately 40 years. The decision taken several years ago to refresh the governance and administration and oversight of Catholic systemic schools by the bishops of New South Wales province was in large response to the need for us to, as a system, be able to better respond to the accountabilities which come with running a non-government school system and also deliberately designed to give better insight capability to the proprietors of the schools, our parents, and our educational leaders around the efficiency and effectiveness of our school system. How do we know we have a good system of schools? What are the measurements that we rely upon, both internal to Catholic schooling and external? It was a deliberate design of Catholic Schools NSW to have both that responsibility and capability. That is the journey we have taken for the past two years. We are in your hands, Chair.

**The CHAIR:** Thank you. Today we focused almost exclusively on government schools, so it is good to hear a non-government sector perspective. Could I get some background information? My understanding of the Gonski review was that it was to align systems of needs-based funding between government and non-government sector. Is that correct?

Mr McINERNEY: Gonski 1, Gonski 2 or just broadly?

The CHAIR: Broadly. Either.

Mr McINERNEY: Broadly?

**The CHAIR:** Broadly. Is that occurring in practice? We know in the Government submission here we have got the resource allocation model for the needs-based funding. Do you have a similar system aligned in your Federal Government recurrent funding?

**Mr McINERNEY:** We do. We have the Schooling Resource Standard—the SRS. Obviously, for non-government schools the Federal Government is the majority funder for our school. There is quite a detailed and, in some parts, complex—and necessarily so—assurance framework for the funding of non-government schools. To the extent to which the alignment of which you referred to in your question has taken place, I still think it is an open question given that we are still working our way through Gonski 2. If Gonski 1 was about how much funds the school sector needs in broad terms and Gonski 2 is how do you spend that to get those outcomes that we spoke about in Gonski 1, I still think we are travelling through that.

**The CHAIR:** So the alignment is a work in progress. What about capital funding from the New South Wales Government? Is there a needs formula that drives those allocations?

**Mr McINERNEY:** The needs of capital funding for Catholic schools are largely met by our parents and communities. Ninety per cent of the capital funding for our schools comes from non-government sources. In effect, the heavy lifting is done by our families and parents, and that is a tradition which has taken place and stayed true for the last 200 years of Catholic schooling in this State. There is a level of capital support from the State and Federal governments for our schools.

The CHAIR: But that is a very small proportion of the capital upgrades that the system undertakes.

### Mr McINERNEY: Correct.

**The CHAIR:** Looking at the resource allocation model and the Federal equivalent, we have had various critiques of outcome-based funding today. How does the Catholic system look at the needs-based funding? Is it accountable and accurate in terms of what the schools submit? Is there any temptation in the system that you are aware of about beefing up disability allowances, for example, or Indigenous background or socio-economic weightings to get more funding than the school would fairly receive?

**Mr McINERNEY:** The Commonwealth has a Schools Funding Assurance Framework and we are block-funded, if you like. The system is funded and then, through a needs-based formula, which must be compliant

with the Australian Education Act, that is then disbursed down to our systems, our dioceses, and ultimately our schools. It must at all times be compliant with that Australian Education Act and the needs-based provisions of that legislation. Additionally, we are required to make public the funding model which we use to follow that needs-based principle. You will find that on our websites; in fact, you will find it on the websites of all State Catholic commissions in Australia.

**The Hon. ANTHONY D'ADAM:** So it is like your equivalent of the Resource Allocation Model [RAM], the funding model that you apply? The funding from the Commonwealth is in a lump sum, and then you disburse within your system according to your own funding model. Is that right?

#### Mr McINERNEY: Correct.

The CHAIR: What advantages would the Catholic school system see in New South Wales moving to outcome-based budgeting or funding and a bigger attempt to define best practice in the classroom? I was at your very good primary school in Camden recently—evidence-based and making amazing achievements. They were saying that obviously there is work done centrally in the Catholic system, but to define best practice across all schools in New South Wales would be a big advantage because they are hungry for material on what works and the data that drives it and to do all the internal professional development upgrade of their teachers that they need. Would you see advantages in that regard, that all systems would share best practice evidence?

**Mr McINERNEY:** Yes, I think anyone who comes before this witness table and every Committee member—one thing we can all agree on is the need to maintain a focus on improved learning outcomes for students, no matter what school or what sector they find themselves in. We actually think it is a bit of wasted energy trying to sharpen the divide and making the contours between the sectors more clear. If there was a relic of the past education policy, that is a feature of it. Is there a role for a different approach to budgeting which might then, downstream, lead to improved learning outcomes? If that is a proposal, we are happy to look at it.

We have had a track record of being open and engaging with governments at all levels, whoever fund us, and making sure that we are as compliant as we possibly can. Intuitively, you would think that the budgeting formula, no matter which one it is, would have an impact on the delivery of schooling and therefore learning outcomes. But you have to be careful not to put too much store in that. There are other influences; teacher training would be another, and so forth. But if there is a discussion to be had around a different or a modified approach to funding for non-government schools with a potential for it to improve learning outcomes, that is a discussion we are willing to have with you.

**The CHAIR:** At the bottom of page 5 of the submission, you say there is scope to support these best practices—the ones you have defined at Our Lady of Mount Carmel Waterloo and elsewhere in the system—and scale them up across the Catholic system. What does the system do there to scale up best practice? That is something that is integral to our report for government schools.

**Ms CRONIN:** Mr McInerney has spoken about the renewed remit for Catholic Schools NSW to look at the effectiveness and efficiency of the system. As part of that responsibility we have got a range of projects underway, or work streams. One of those is looking at school and system improvement. The other is to look at the state of the system in terms of key metrics. As part of that, it is about then collecting the evidence base, if you like: looking at what is working in those schools that are performing beyond expectations and being able to share that across the system. The work is still in its sort of embryonic phase but the intention is that Catholic Schools NSW, through its data and analytics and through its school and system improvement work, will have a much greater ability to identify areas of best practice and good performance and solid performance and to be able to share that across the systems. That is not an uncomplicated piece of work because, as you know, Catholic education is essentially a system of systems as well as a group of independently governed Catholic schools. But certainly the ambition is to be able to share that work across the system.

**The CHAIR:** Do you do anything more than sharing? At St Paul's at Camden—I do not want to disparage here, but it is also a feature in the government sector—it just seemed to be good fortune that a deputy principal arrived who had a huge evidence focus and convinced other school leaders and teachers to follow that evidence, particularly in literacy, and that did the trick. Is there something beyond a fluke, beyond a stroke of good luck, beyond sharing that would be happening to get those results across the system?

**Ms CRONIN:** Absolutely. That goes, I suppose, to our governance structure. In terms of Catholic Schools NSW, we do not own or operate the schools. Really, our role is to shine a light on the system. In order to make those in-school or local level impacts then that really, for a systemic school, is going to be at the diocesan level. Diocese across the State have got a range of mechanisms, things from professional learning, a whole range of peer review, a whole range of strategies in place in order to ensure that they are building the capacity of their

school leaders to implement those high impact evidence-based strategies around school improvement. Whether that is in the data space in terms of data literacy and building capacity of teachers to use data to drive their teaching strategies, a lot of that work happens at the more local level, at the diocesan level, rather than the Catholic Schools NSW level, but those things are in place so it is more than just accidental; there are intentional strategies at play.

**The Hon. MATTHEW MASON-COX:** If I could pick up on that, I am interested in some of the strategic projects that you are undertaking and how that sharing works within your system but also with the New South Wales public system. I note some of the comments which you might reflect upon to in relation to access and data sharing and some limitations currently in that area. Could you reflect on that?

**Ms CRONIN:** The quality and the depth of our work is reliant on getting access to good data. Certainly, we have made good gains in recent times in terms of getting appropriate data sharing and information sharing agreements in place with NESA and the Department of Education. Is there work to be done? Yes. An ideal scenario would be an MOU not unlike what happens in Victoria whereby all three sector authorities can share de-identified datasets across a whole range of areas in order to inform their system in school and their system improvement work. Obviously you put appropriate protocols around the to ensure that it is being used in an appropriate way but we have got to a level of maturity across all three sectors in New South Wales where that seems a logical way to go, that we become more transparent around our data but we do it in such a way that drives school and system improvement.

**Mr DAVID SHOEBRIDGE:** Have you been invited to be part of the Their Futures Matter data pool that is being run by whatever FACS has now become?

**Ms CRONIN:** We have been invited to participate in consultations around Their Futures Matter. Has a request come for us to actually contribute our data? No. Through the Department of Education our data has been shared as part of that pool but not with an explicit approval process through us.

**Mr DAVID SHOEBRIDGE:** The data you have given to the New South Wales education department has been shared through the education department?

Ms CRONIN: Yes. That is our understanding.

**Mr DAVID SHOEBRIDGE:** And is there any data that is missing then? Professional data that you can provide directly?

**Ms CRONIN:** There would be more local data. The data that has been shared would be sector-wide data in terms of NAPLAN, HSC—those types of datasets. There are other datasets that Catholic Education has that are more local or more localised to particular communities that would not have been part of those data-sharing agreements.

**Mr DAVID SHOEBRIDGE:** Would you be open to having a discussion about how to share that in a de-identified way?

Ms CRONIN: If it was helpful. If it was meaningful data to include in a dataset, certainly.

**The Hon. MATTHEW MASON-COX:** In relation to the other aspect, the Centre for Education Statistics and Evaluation, you mentioned that you have access to Scout and interaction there. Are there areas there that you see as areas that you can improve interaction? The identification of best practice and sharing of that information is what I am particularly interested in.

**Ms CRONIN:** I think there is absolutely scope for greater collaboration among all three sectors with CESE around looking at statewide approaches to teaching and learning, to search where the good practice is.

The Hon. MATTHEW MASON-COX: What happens now? Do you sit down with them once every three months? What is the structure at the moment for it?

**Ms CRONIN:** We meet regularly with CESE staff but it is usually around Scout. We would meet monthly if not bimonthly around Scout-specific matters. In terms of the broader evaluation work that CESE does, no; there are not regular consultations around that. That does not mean to say that they are not possible but at the current time they do not happen. The other area that we do liaise very closely with CESE is around the Literacy Numeracy Action Plan and the evaluation process around that, there is engagement with CESE around that too. And Best Start Year 7 and Best Start kinder are other areas that we would collaborate. But in terms of those bigger, more fundamental areas around teaching and learning there is scope for a closer relationship with CESE.

The Hon. MATTHEW MASON-COX: How would you go about that? What would you like to see happen?

**Ms CRONIN:** There is always going to be an issue around CESE's independence in terms of: Is it seen to be a creature of the department or is it genuinely, as I understand when it was established, a genuine cross-sectoral resource? Is it that at the moment? I would probably say no. Is there scope for that to be it in the future? I think yes. I would suggest that CESE staff are certainly open to much greater collaboration but I think they are always going to be tied in terms of the workload they have around servicing the department. To inject more work from the non-government sector into their current work plan would actually have resource implications for CESE under the current arrangements.

**Mr DAVID SHOEBRIDGE:** In terms of accountability, one of the key issues is reporting back to government on public funds, do you agree?

Ms CRONIN: Yes, absolutely.

**Mr DAVID SHOEBRIDGE:** As I understand it, the way the Catholic systemic schools are funded there is a block grant that is provided initially from the Commonwealth, a big chunk gets provided to the State. The State adds a couple of hundred million on and then that is provided biannually to the—it used to be the Catholic Education Office but it is now, you are the Approved System Authority [ASA]. You are Catholic Schools NSW.

Mr McINERNEY: That is broadly correct.

Mr DAVID SHOEBRIDGE: And that happens in two tranches a year, is that right?

Mr McINERNEY: Yes.

**Mr DAVID SHOEBRIDGE:** But then in terms of reporting back to either the State or the Federal Government on how that money is allocated, as I understand it there is no specific reporting requirements back to the New South Wales Government, is that right?

Mr McINERNEY: That is incorrect.

**Mr DAVID SHOEBRIDGE:** What specific reports do you do back to the New South Wales Government about the allocation of the funding that goes to the Catholic systemic schools?

**Mr McINERNEY:** The acquittal of funds extended to the non-government school sector is governed by the department's not-for-profit guidelines for non-government schools. That is quite a detailed regime and specifically section 83C on the State Act really captures the accountabilities and how that money can and cannot be spent. We are required to annually report against those requirements and, you are right, there is also reporting back to the Commonwealth. It is in the work plan of both departments, as I understand, for a streamlined approach where in the future they are looking at options where there will not be dual reporting to both tiers of Government, but can there be a consolidated acquittal.

**Mr DAVID SHOEBRIDGE:** The arrangement with the New South Wales Government under which the funds are paid, it is basically just a one-page agreement between the Catholic school system and the State Government. There is a one-page agreement, the funding is then made, then the allocations are made twice a year and there is a receipt issued. Are there any specific reporting arrangements other than that agreement with the State Government?

Mr McINERNEY: If only it was one page.

Mr DAVID SHOEBRIDGE: I Government Information (Public Access) Act [GIPAA] requested it and that is what I got.

**Mr McINERNEY:** The whole funding framework is overseen by the National Education Reform Agreement and that then obliges different tiers of Government, the participants in the sectors—

Mr DAVID SHOEBRIDGE: I am talking about with the State Government here.

**Mr McINERNEY:** And then subsidiary, sitting underneath that are the bilateral agreements between the Commonwealth and the States and that specifically captures that responsibilities and expectations of non-government school sector in those bilateral agreements. They are quite detailed documents; they are not one-page at all.

**Mr DAVID SHOEBRIDGE:** Did you want to provide to us then, on notice, the agreement between the Catholic Schools NSW and the State Government under which those funds are made? There must be an agreement.

Mr McINERNEY: The bilateral agreements-

Mr DAVID SHOEBRIDGE: The agreement between Catholic Schools NSW and the State Government.

Mr McINERNEY: The bilateral agreement between the State and the Federal Governments?

Mr DAVID SHOEBRIDGE: No. The agreement between the State of New South Wales-

Mr McINERNEY: I have not referred to an agreement between our sector and-

**Mr DAVID SHOEBRIDGE:** I am wondering what the agreement is under which a very substantial amount of money is provided by the State Government to the Catholic systemic system. As I understand it, that is why put you before, it is a one-page assertion by the State Government that, "X amount will be provided" and then there is a receipt given. That is basically the agreement between the State government and the Catholic systemic system, is it not? There is no individual reporting, there is no individual requirements, it is just an exchange of letters and receipts.

The Hon. WES FANG: I am not convinced, David, that this is actually part of the terms of reference.

**Mr DAVID SHOEBRIDGE:** It is clearly about accountability and performance-based. I could be wrong but I am giving you the opportunity to tell me I am wrong on that, Mr McInerney or Ms Cronin.

**Ms CRONIN:** You will notice in the bilateral there is a reform priority that looks at establishing an MOU between the non-government sector authorities and the department that goes to that accountability question. I think the reform actually is about increasing non-government school accountability requirements, and the mechanism for doing that would be an MOU between the sectors and the department.

**Mr DAVID SHOEBRIDGE:** I agree in the future that there obviously should be some kind of detailed arrangement but at the moment there is basically nothing; it is "Here is a letter. Here is how much you are going to get. Give us a receipt and it is in the bank". That is the current arrangement between the catholic systemic schools and the State Government.

Mr McINERNEY: No, that is neither a fair nor accurate description of our accountabilities—

Mr DAVID SHOEBRIDGE: Tell me how it is wrong.

**Mr McINERNEY:** If that is all it was we would say that we would insist on more. For example, in other programs of funding, the literacy and numeracy plan, a \$10 million-plus per annum program, we are required to—

Mr DAVID SHOEBRIDGE: I am talking about the block funding.

**Mr McINERNEY:** —remit back to the State Government a detailed work plan of every bit of activity that is set under that funding program. That is an annual exercise. It goes more than the one-page—

**Mr DAVID SHOEBRIDGE:** I am talking about the block funding and I am asking you now for what are the legal contractual or other specific arrangements between the New South Wales Government, which provides a big chunk of the money, and the catholic systemic schools, the actual legal arrangements between the two.

**Mr McINERNEY:** The arrangements are governed by the not-for-profit guidelines for non-government schools issued by the New South Wales Department of Education, and they run for many, many more pages than just one.

Mr DAVID SHOEBRIDGE: I have got some documents coming down.

The CHAIR: Are you not monitored by NESA?

Mr McINERNEY: Yes, we do have several regulators, NESA being our primary one, the State-based.

The CHAIR: What are the other ones?

**Mr McINERNEY:** In vocational education, a third of our schools have farms, so we go into the Department of Primary Industries; there is an alphabet set of acronyms of regulators to which we answer.

The CHAIR: So you do not feel like you have got a lack of scrutiny?

Mr McINERNEY: No.

The CHAIR: How do you respond to some of the submissions that have suggested one uniform independent authority in New South Wales that defines best practice, puts measurement performance systems in

place and monitors school activities across all three sectors? That is a serious proposition that has been put to the Committee. So not just one that would incorporate NESA, I suppose, but it applies equally across all three sectors.

**Mr McINERNEY:** NESA obviously has accreditation registration and curriculum responsibilities and it is quite a breadth of functions to have in the one agency. It was not always the case; it is the amalgam of two previous agencies. If there is a suggestion that there should be a statewide uniform level of benchmarks or expectations against which we are measured and reported back to, we are open to those discussions—we would not automatically endorse it. One of the defining and distinguishing and favourable features of the New South Wales school system is its differences between the three sectors—the choice. Anything to lessen the distinction between the two in terms of offerings, which is a choice that is so valued by New South Wales parents, I think would have to be approached with caution.

**The Hon. SCOTT FARLOW:** Following on from Mr Shoebridge's point, has there been any consultation between the Department of Education or Treasury with you with respect to outcome budgeting? Does it impact the catholic schools at all?

**Mr McINERNEY:** There is currently underway, led by the Department of Education, an accountability consultation task force, led by that particular area looking after funding in the Department of Education. That is fairly new. It is looking at how they can, both sides from all sectors inside the department as well, get a better understanding of what the accountabilities are, how we should report against them, what are the opportunities for alignment given that we report back to two tiers of government, and they are also looking at ways for the two departments to talk better to each other and not ask the same question or ask for the same dataset and duplicative requests. It is a fairly new initiative by the Department of Education; we welcomed it and it is ongoing.

The Hon. SCOTT FARLOW: With respect to some of the programs that are working in government schools like Bump It Up, which we have heard quite a bit about today, what sort of access do you have to programs like that? Are they something that the Department of Education in New South Wales says to you, "This is a program that is working. Would you like to have a look at it?" Do you have any access to that or can you seek access to programs like that?

**Ms CRONIN:** We have got a good working relationship with the department but particularly the external relations or what was the extended relations department. So we do talk about these initiatives quite a lot. It tends to be more informal; so there has not been a formal invitation to participate or to collaborate around those sorts of departmental initiatives. But, of course, we look at those initiatives with great interest to see what is going on, how they are going to be implemented, what might be the implications or learnings for us in terms of a system. But more formal than that, no.

**The Hon. SCOTT FARLOW:** Is there any impropriety around these things? We are, of course, interested in educational outcomes for all students, whether they are in catholic, independent or government schools. With some of this material that is presented by the Department of Education that might be good to be implemented in schools, is there any territory where perhaps the Department of Education may not open up those programs? Have you found that in the past or is it something where they are quite open to sharing information like that and quite open to sharing programs?

**Ms CRONIN:** The department is very good at sharing information. The degree to which they open up programs for the other sectors to use, that does not happen that frequently, although there are some good examples where there has been some really good cross-sectoral collaboration, and the Literacy and Numeracy Action Plan is certainly one of those and there are other examples. Where it makes sense for us to collaborate and it is easy to do so, I think we welcome it certainly. But we are very conscious that we are also operating in different contexts. When the department produces particular initiatives for its context, they are not necessarily easily then transplantable to the catholic sector or, indeed, probably more importantly, to the independent school sector. So it is horses for courses in that regard. But I think there are important learnings for each of us in terms of sharing our practice; and us with the department too, I know that we have had different initiatives in the past that the department has been really keen to get briefings on. So there is a reciprocal arrangement there too in terms of sharing information.

The Hon. SCOTT FARLOW: There are a lot of learnings we can take from the catholic system in terms of driving educational outcomes. As I think you mentioned before, you are a system of systems in many ways, and we have heard a lot of commentary today from some witnesses around our system being too centralised and, in some parts, maybe too decentralised. From your system you have got both of those issues, with some schools that are quite independent and some schools that probably do rely on the system quite a bit. How have you been able to, within the catholic system, drive improved educational outcomes?

**Ms CRONIN:** I think it is multilayered, for a start, and I think we alluded to this in the beginning in terms of where the Catholic Schools NSW remit begins and ends and then where diocesan offices and their responsibilities begin; so it is different. In terms of seeking to drive school and system improvement there are a range of mechanisms at play. All of the catholic systems in New South Wales, and there are 11 of them, have a type of school review and improvement process or framework at play, and that goes right down to the school level. It is very similar to the department where schools would have annual school plans and those sorts of things and then would go through a cyclical review process. That is very much looking at compliance but also looking at how a student's results and outcomes improve over time. Of course, in the catholic sector it is not just going to be about standardised academic performance but also the whole child, including religious education and wellbeing and a whole range of other facets of a child.

There are these school review improvement processes. There are also a range, in one diocese, a peer review process where groups of principals get together and actually share their data, their school review and improvement plans with each other. It is a collegiate deal to go around how those plans are either improving, or not, student outcomes. There are lots of models across the system. We have not advocated a one size fits all model across Catholic education. I think it is fair to say that the diversity across the sector has bred innovation and I think that is a good thing. It is a strength of the Catholic system that we do have that diversity and we allow it to flourish.

**The Hon. SCOTT FARLOW:** We have heard some criticism today of EPAC. I imagine you have something similar within the Catholic system in terms of a performance management grievance body. Is that centrally managed or managed by local schools?

**Ms CRONIN:** It is mainly managed at the local level. However, Catholic Schools NSW has got some more recent initiatives that are trying to assist in trying get a more, not centralised, but a consistent way of addressing some of those things from a State level.

**The Hon. WES FANG:** We heard from Dr David Roy earlier today that in his opinion there would be benefit in separating the Department of Education from the ministry of education so the ministry may have better oversight of schools, both government and non-government. Would you comment on that?

Ms CRONIN: It would be history repeating itself. We have been there in the past.

The Hon. WES FANG: What was the experience? What do you think the learnings are from that history?

**Ms CRONIN:** From a non-government sector perspective it is always good to have an impartial body that you can go to for policy advice, whether it be monitoring or otherwise. I have to say that when it was subsumed back into the department and external relations, in particular, I think the relationship with the non-government sector was maintained. I do not think that we have exposed any major catastrophes in terms of it being part of the department and not a separate ministry. It is a useful idea to explore.

The Hon. COURTNEY HOUSSOS: In your submission you talked about some of the difficulties and I have questioned other witnesses on this today—around the implementation of outcome based funding when it was implemented in Scotland and New Zealand. I am not sure how closely you followed the testimony from witnesses today but the New South Wales Government, particularly the NSW Treasury, really stressed the point this morning that in New South Wales it is going to be called "outcome based budgeting" not "outcome based funding". Irrespective of that, I am interested to know if you can expand or provide us with any more information about some of those difficulties or about some of the things that we can learn from if we are to implement it.

**Mr McINERNEY:** I think the considerations for any transition to a different budgeting approach, particularly as it relates to the school sector, can fall no two categories. The first is general principles of outcome based funding/budgeting. The nomenclature is important here. I notice that they have been used interchangeably throughout the day. Ms Cronin did talk to some of the specific challenges of applying such an approach to the educational setting because it does come with peculiarities which you have to account for that you might not find in other sectors. We are not here to say "never give it to us, we are not up for it".

We would have any discussion around improved policy settings for our sector, particularly if they can be linked to improved learning outcomes. Generic design principles of how much of the entire funding base is at-risk or subject to outcome considerations, what is the time lag that is going to be relied upon from the data to inform the funding to point of implementation? Another design principle. We are not here to say no. The selection of benchmarks go into it. It can be contested and will have to be agreed right across the population or sector being

funded to make sure there is an acceptance and we are not circling back on design principles when we should be focusing on implementation and practice.

**The CHAIR:** At page seven of your submission you point to the problems about outcome based funding in New Zealand and Scotland. What were those? In New Zealand was this a Rogernomics type initiative back in the eighties? It must have been pretty full-on if it was?

**Ms CRONIN:** At a high level the evidence base regarding whether outcomes based funding is effective is pretty thin. I think the jury is out. That is clear. It was also clear from reading submissions, respondents to this review and some of the witnesses today, that there is confusion about the two terms, that they were being used interchangeably and it seemed then to become a consequence between outcomes based funding and needs based funding. Our position would be that a greater focus on outcomes is not inconsistent with needs based funding.

The CHAIR: That is a good point?

**Ms CRONIN:** There is certainly some work as a sector we can do. This is what the New South Wales Government's outcomes budgeting is trying to do.

Mr DAVID SHOEBRIDGE: It is more about quality control?

Ms CRONIN: It is.

Mr DAVID SHOEBRIDGE: Making sure you are getting value for money as opposed to punishing?

**Ms CRONIN:** Correct. It is already about seeking to diagnose what the problems are you are trying to solve. When you can effectively diagnose what is wrong with the system that needs to be fixed and you make that a priority and you set appropriately meaningful goals and targets, you encourage evidence based high impact interventions and strategies to address them. Then you have a meaningful measurement framework around it to see whether or not you are making an impact. That is good practice. That is a good thing for New South Wales to aspire to. That is not inconsistent with needs based funding, which I think we are fundamentally committed to.

The problems with outcomes based funding certainly have been addressed by what we have seen elsewhere, but at a high level you get perverse outcomes around data manipulation or metric manipulation. You can get a narrowing of what is taught to what is measured because all of a sudden things become very high stakes. You can get a further revisualisation of those schools and those school communities that are in greatest need of support and assistance. They are things that we want to ensure do not happen in this State.

The CHAIR: Is that what happened in New Zealand and Scotland?

**Ms CRONIN:** This goes back to the quality of the evidence around the efficacy of those models. You begin to see indicators of that happening, certainly.

The CHAIR: I think the confusion, if you want to call it that, is that we started the day with outcomes based budgeting with no change to school funding. Then we drilled into what do you do with the data, what do you do with the measurement, what do you do to help needy schools that are really struggling and failing their students? There is an acknowledgment you might want to put extra resource into them. That is a change in school funding that flows from the outcomes based budgeting. That is my best summary of where we have got to. It is also a work in progress between Treasury and the Department of Education and we will see how that unfolds.

**The Hon. COURTNEY HOUSSOS:** I do not have a problem with evidence based and directing resources to where it is required. Would you characterise that as your approach in the Catholic school system? Do you measure and evaluate? I appreciate you are a system of systems but is that your approach?

**Ms CRONIN:** Yes. Certainly that is what the aspiration is with the work that Catholic Schools NSW is doing around its efficiency and effectiveness suite of projects. At the diocesan level there is a fair bit of work that goes into tracking, monitoring and making sure that they have got robust data collection to be able to do that monitoring in support of schools. It is a work in progress. We are probably in the early stages of a robust data analytics and measurements framework. It is an area we are keen to be engaged with as we develop and refine our own model. It is happening to varying degrees across the system.

**The Hon. COURTNEY HOUSSOS:** I have just one final question. Given that you are a system of systems—this leads on from what the Hon. Wes Fang was asking you—how do you provide for cross-collaboration between those systems? So if you have a diocese that is doing really well, that has great practice and the principals are coming together and comparing data, how do you then populate that out? Is that a role that you play?

**Ms CRONIN:** I think that increasingly that will be a role that we play. It happens already. As you can imagine, we have quite a complex governance and advisory structure that provides forums for diocese and the congregational schools—the Catholic independent schools—to come together. Sometimes they are in reference groups, policy networks or professional learning networks and those sorts of things. Those are opportunities for the dioceses and schools to share what they are doing. There are more formal ways that that happens. There is a national Catholic School Improvement Colloquium that happens. That involves dioceses from across the country that come together to share the practice around their schools and improvement processes. There are lots of informal and more formal ways that they come together to share that practice.

**Mr DAVID SHOEBRIDGE:** You would recall us asking you some questions about what the existing reporting arrangements are between the State Government and Catholic systemic schools. I note, Ms Cronin, that you said that there is some indication that there will be work for an memorandum of understanding going forward. Is that correct?

### Ms CRONIN: Correct.

**Mr DAVID SHOEBRIDGE:** Ms Houssos pointed out to me earlier that in the State Government's submission it says:

 $\dots$  has committed to a series of actions to accompany the needs-based funding reforms. These actions include a commitment to strengthen accountability measures for non-government schools that receive state funding.

So there are some moves afoot to do that. Is that right?

Ms CRONIN: That is correct.

**Mr DAVID SHOEBRIDGE:** It was said earlier, I think, there is just a letter and a receipt. I put out a freedom of information request to the State Government to provide all of the arrangements between the New South Wales Government and the Catholic Education system about the provision of funding, the accountability of funding, the receipting of funding and the like, and this is all I got for 2018. I will give it to you.

**Mr McINERNEY:** I am happy to have a look at it, but let's make the distinction between the document that contains the attestation on our part, with respect to our responsibilities back to the Government, and the voluminous guidelines and legislation which sits behind us making that attestation.

Mr DAVID SHOEBRIDGE: By all means you can provide context. I am not going to stop you doing that.

**Mr McINERNEY:** This is more than context. It goes to the substance of what it is that we are required to report back to the Government by way of our accountabilities. I referred previously to the not-for-profit guidelines for the non-government sector in this State. Once we have fully accounted and satisfied ourselves— and only then—of compliance with those guidelines and the Act, do we make an attestation back to the Government.

**Mr DAVID SHOEBRIDGE:** I will show you what the State Government provided, which is a onepage letter from them to your office, basically saying that for 2018 the Catholic systemic school system will be funded to the tune of \$2,663 plus GST per student, and a statement that that would be the funding arrangements going forward. Then there are two statements made half-yearly, the first saying that you can expect a payment in your account of \$290 million for the first half and then a second statement saying you can expect a payment in your account of \$288 million for the second half. Then there is a receipting of each of those payments from the Catholic education system.

### Mr McINERNEY: Yes.

**Mr DAVID SHOEBRIDGE:** That is the extent of the documentation there. Can you provide on notice any additional accountability that was given under the arrangements with the State Government for that provision of money in 2018?

**Mr McINERNEY:** Mr Shoebridge, I am mindful to be helpful for your inquiries, but these are not accountability documents. They are notifications.

**Mr DAVID SHOEBRIDGE:** Indeed, because there is no arrangement for accountability for the State funding.

**Mr McINERNEY:** The accountability documents—the acquittals—were returned back to the State Government, under which sits consideration of the not-for-profit guidelines and the requirements of the State Act.

## Mr DAVID SHOEBRIDGE: Can I say that none of those-

**Mr McINERNEY:** What you tabled here, sir, is just a notification of funding which we can expect, and the timing of it. They are not accountability documents.

**Mr DAVID SHOEBRIDGE:** None of those not-for-profit arrangements require reporting on outcomes, require reporting on the educational aspects. They are standardised not-for-profit recording that would be the same if you were providing a soup kitchen as if you are providing a school. What I am putting to you is that there are no existing arrangements for the kinds of accountability that you would expect for that amount of money between the State Government and the Catholic education system.

**The CHAIR:** To avoid getting bogged down in this it might be helpful if, on notice, the system could provide us with some of that detail about all the different government authorities that you have to deal with and comply with, headed by NESA and the education department—the list went on.

**Mr DAVID SHOEBRIDGE:** We have that list on page 3 of your submission but I am pointing to the fact that none of them deals with the kinds of educational outcomes that you would expect. None of them requires the kinds of detailed reporting on educational outcomes for such large sums of money.

The Hon. SCOTT FARLOW: Mr McInerney has taken it on notice.

**The CHAIR:** I think inevitably there will be a difference in the accountability and reporting standards of a government and a non-government sector—because it is non-government. It is a private choice that parents make to go to the schools. I assume that their enrolments are rising. I wish I had as many complaints about government schools as I do about the Catholic system.

Mr DAVID SHOEBRIDGE: I do not think enrolments are increasing for the Catholic system. That is just not true.

The CHAIR: Your enrolments are not increasing?

**Mr McINERNEY:** We have a steady market share. The State Government has an official policy, in the strategic asset plan for education in this State, where its preferred position is that current market share is maintained between all three sectors and there is not a deterioration or major fluctuations. I can happily report that we are holding market share and the concerns of the Government in that regard are being met.

**The CHAIR:** With population growth your enrolments must be going up then. If you can provide us with the extra information that Mr Shoebridge is seeking on notice, I think that would be helpful to the committee's purpose.

The Hon. WES FANG: I was just going to make the point that I think that Mr McInerney was right, in that the terms of reference are quite clear. The terms of reference talk about accountability and not about the agreements that are in place.

**Mr DAVID SHOEBRIDGE:** Surely reporting on Government funding is accountability. That is what I am asking about. I am more than happy—

**The CHAIR:** I do not think it is an unreasonable inquiry. At this late hour we did not want to get bogged down. The sector has agreed to provide some more information on notice, which is helpful.

Mr DAVID SHOEBRIDGE: I am grateful.

**The CHAIR:** Would the sector also agree to answer any supplementary questions, within reason, that the Committee has? I have three our four, given that we have run of time, that I would be asking. I know that the sector is always happy to help.

Mr McINERNEY: We are very happy to help the Committee. Thank you for the opportunity.

The CHAIR: I thank you very much for your contribution and for the great work that you do in the education field and for your participation here today. Thank you.

(The witnesses withdrew.)

The Committee adjourned at 17:02.