



SUBMISSION TO THE SENATE INQUIRY INTO THE DEVELOPMENT AND IMPLEMENTATION OF NATIONAL SCHOOL FUNDING ARRANGEMENTS AND SCHOOL REFORM

The Australian Primary Principals Association (APPA)

APPA is the federated professional association for primary school leaders. It is a unique peak association in Australian education because it is truly cross-sectorial with the national sector associations – Australian Government Primary Principals Association (AGPPA), the Australian Catholic Primary Principals Association (ACPPA) and the Independent Primary School Heads of Australia (IPSHA) – working in collaboration through APPA.

The over 7,000 primary school leaders in Australia are represented by APPA.

Introduction

APPA has been a contributor to the public policy debate about school funding since March 2010. The following documents are attached to this submission:

March 2010	Position Paper – Designing a Funding Model for Australian Primary Schools
May 2010	Submission to Schools Funding Review, Terms of Reference Consultation
July 2010	Submission to Review of Funding for Schooling Panel
December 2010	Submission to the Review of Funding for Schooling; Emerging Issues Paper
September 2011	Submission to Review of Funding for Schooling Panel
January 2013	APPA 2013 Pre-budget Submission
January 2014	APPA 2014 Pre-budget Submission

These documents provide the foundation for this submission.

The need for Funding for Schooling reform

APPA would argue very strongly against any return to funding for schooling arrangements that existed before the current quadrennium. Those arrangements evolved over many years, were based on assumptions that no longer apply, contained inconsistencies and omissions and, for the most part, failed any reasonable test of transparency.

The division of responsibilities between the Commonwealth and the States and Territories where the Commonwealth Government became the principal source of funding for non-government schools and the State and Territory governments provided the bulk of the funding for government schools has led to

unhelpful tensions between school sectors and diverted attention from the needs of students in all sectors.

It is important that any funding arrangements establish a proper complementarity between Commonwealth, and State and Territory funding of all schools. To merely adjust the Commonwealth's funding arrangements without reference to those of the States and Territories will leave Australian schools with a broken system.

The principles that should underpin Funding for Schooling arrangements

APPA recommends the following principles should apply to any arrangements to provide government funding to school systems and schools.

- 1. Government recurrent funding of schools should be tied to student need without reference to school sector.*

The principle that funding is tied to need has been agreed by all Australian governments but is not fully implemented. The old sectorial divisions between government and non-government schools no longer apply.

- 2. A single, national model should be used to calculate the amount of recurrent per student funding to which a school is entitled.*

Australian governments have made considerable progress in building a coherent, national education system. A national student assessment system is in place and the Australian Curriculum is being implemented. It is now clearly in the interests of Australian primary schools for governments to maintain a national funding arrangement.

- 3. Funding arrangements for schools should amalgamate the Commonwealth, and State and Territory recurrent funding into a global per student entitlement reporting against the schools, the region and the state.*

The current arrangements whereby the Commonwealth, States and Territories share responsibility for the funding of schools yet have separate and diverse arrangements contribute to the inconsistency and incomprehensibility of Australian school financing.

- 4. The recurrent funding provided through this funding for schooling arrangement may be augmented by additional government funds that must be disclosed on a school-by-school, per student basis.*

It is recognised that not every contingency can be built into a national funding model and there will continue to be a need to allocate supplementary funds. However, such funds should amount to a small proportion of the total and be fully transparent. The amounts should be reported on a per student basis in order to enhance the comparability.

5. *The amount of recurrent funding for each school should assist all students to reach the Educational Goals for Young Australians.*

It is widely accepted that education policy and practice should be based sound evidence. This principle should be applied to the calculation of the level of funding provided to schools, recognising that some students require an exceptionally high level of support if they are to have the opportunity to reach nationally acceptable educational standards.

6. *Funding arrangements should support inclusive education.*

Regardless of jurisdiction, sector or school, students with disabilities, including physical and mental health issues, and social and emotional disorders, require extensive support through funding arrangements.

7. *Funding arrangements for schooling should fund primary and secondary students equally, irrespective of year level.*

The current practice of funding secondary students at a higher level than primary students is based on historical precedent and specious argument. The funding arrangements should fund primary and secondary students at the same rate so that every student has an equal opportunity to achieve the Educational Goals for Young Australians. Funding targets may need to be established over a longer period than a single quadrennium.

8. *System and sector authorities should disclose the amount of government funding required to provide central and regional services on a per student basis in such a way that this amount, when combined with the amount of recurrent funding allocated to schools, includes all government funding for the system.*

Currently, a proportion of government educational funding is used to provide the systemic infrastructure required to support large government and non-government school systems. The efficiency and effectiveness of the services provided with this funding are seldom subject to external scrutiny. Hence, the possibility exists that some of the funding might be more effectively used if it were disbursed among schools. Greater transparency would facilitate such decision-making.

9. *All government and non-government schools receiving government funding should comply with a limited set of operating principles permitting a faith-based education but requiring full transparency of school income, and expenditure and admission policies compliant with anti-discrimination legislation.*

The principle that parents should be able to send their child to the school of their choice is now accepted in Australian society. Because the reputation of a school depends in large part on the performance and behaviour of its student enrolment it is important that the admission policies of schools are transparent and aligned with anti-discrimination legislation.

- 10. Schools are encouraged to augment their government funding with income from private sources with the proviso that the total amount of funds from private sources per calendar year is reported.*

Schools should continue to levy fees and accept donations from private sources. Schools that attract private funding should not be penalised for doing so but schools that are not in a position to raise funds from fees or community contributions should not be disadvantaged as a result.

- 11. The total per student income from government and private sources and recurrent expenditure per student should be made public annually.*

Government and non-government schools should be required to complete an annual financial questionnaire (comparable to the questionnaire currently required by the Commonwealth Department of Education from non-government schools). The summary of this information should be publicly available.

- 12. A school's funding entitlement should be adjusted to reflect changes in its needs profile.*

Each year a significant number of students move to, or arrive at, a new school. The income of schools should be regularly adjusted to take account of the movements since it is essential that a school receive funding to meet the educational needs of students.

- 13. The authority to disburse funds allocated to a school should reside in the school.*

Schools should be fully in charge of allocating the funds provided to their school, taking into account guidelines and recommendations issued by education authorities. School communities have a deeper understanding than central officials of the needs of students attending their school and the capabilities of their staff members and should be expected to deploy all their resources to best effect.

- 14. The ongoing development of funding arrangements should involve extensive consultation with stakeholders, including the Australian Primary Principals Association, and the disclosure of the evidence underpinning such development.*

The funding model should be developed and trialled over a specified number of years. There should be wide consultation with stakeholders, including the Australian Primary Principals Association. The implementation of the SES funding model by Commonwealth education officials during 1996 – 1999 should serve as a model for development and consultation.

- 15. Adjustments to the structure of the allocative mechanisms should be announced at least four years in advance of the change taking effect.*

Increasingly, schools need certainty regarding their income so that they can attract and employ high quality staff for a substantial period of time. This need will become more evident when increased autonomy is devolved to schools.

Terms of Reference

This submission will address terms of reference (a) and (b).

(a) The implementation of needs-based funding arrangements, from 1 January 2014, for all schools and school systems, including

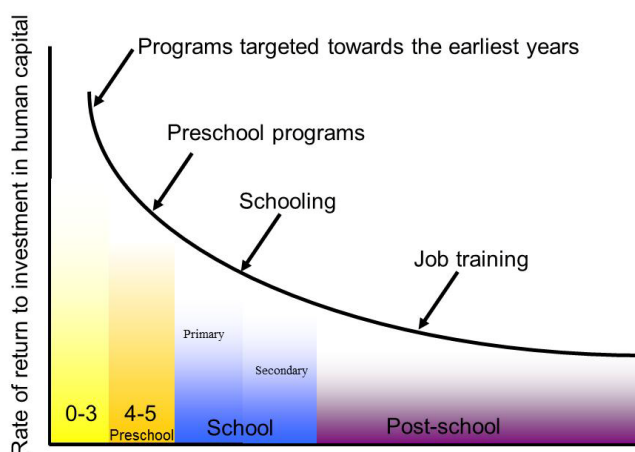
- i. **Commonwealth funding, methods for the distribution of funds, funding arrangements and agreements with states and territories, as well as related accountability and transparency measures.**
- ii. **funding arrangements for individual schools.**
- iii. **the extent to which schools can anticipate their total future funding and links to educational programs in future years.**
- iv. **the consequential equity of educational opportunity between states and territories, schools and students.**
- v. **progress towards the Schooling Resource Standard, and**
- vi. **the implementation of school reforms.**

APPA believes the case has been made for a single national arrangement of funding for schooling that takes account of student need, values students equally, and is transparent and predictable.

Any funding for schooling arrangement must fund students equally.

The current practice of funding secondary students at a higher level than primary students is based on historical precedent and specious argument. There is a significant amount of research from international and Australian sources indicating that early and sustained intervention in the primary years is necessary to achieve quality learning outcomes for a significant proportion of secondary students. The following points support this assertion:

- The importance of investing in the first years of formal schooling is highlighted in successful education systems such as Ontario, Canada where there is higher school education funding delivered in the early years.
- The years 3 – 6/7, depending on jurisdiction, are the lowest funded in Australia.
- The pedagogy necessary to engage younger learners is as resource-intensive as any other.
- Given that primary teachers are required to teach all subject areas, they require at least an equal level of curriculum and pedagogical leadership and support as secondary teachers.



The figure above from Heckman and LaFontaine (2007) illustrates the returns to a unit dollar investment showing that focused support in the early years maximises return on education expenditure.

The historical basis is explained by a number of factors: the mission of primary schooling was to provide rudimentary education for the masses whereas secondary schools were for the middle classes and elites; classes were smaller in secondary schools, particularly for students being prepared for their matriculation exams; and, further, there was much wider choice of subjects (as remains the case today). Over a century the expectation that secondary schools will be funded at a higher level than primary schools has been normalised and rarely questioned.

Any funding for schooling arrangements must be transparent and predictable.

Currently a large proportion of educational funds is used to maintain the systems which service both government and non-government schools. The effectiveness and efficiency of this service provision is seldom subject to independent scrutiny. It is possible that greater transparency in the funding model might reveal that a greater percentage of funds should be available to schools. The following points support this consideration:

- Greater transparency would minimise waste and result in better learning outcomes.
- For true transparency, jurisdiction and system costs must be declared separately and not placed against schools or students.
- Predictability of funding arrangements allows schools to plan sustainable programs that support improved student achievement.

Finally, it is important that any new arrangements facilitate innovation and flexibility so that school communities can acquire resources that match their particular needs. This funding arrangement should foster approaches which enable flexibility for principals and school communities to promote good practice and school improvement.

(a) How funding arrangements will meet the needs of all schools and individual students, including indigenous students, students with disability, small schools, remote schools, students with limited English and students from socially and economically disadvantaged backgrounds.

The funding for schooling arrangements in Australia must address the needs of all students regardless of jurisdiction, sector or school.

To support all students achieving national goals, each child's educational needs must be resourced through funding arrangements. Evidence is clear that the cost of education for students with a disability, who are Indigenous, are from low socio-economic backgrounds or are located in rural or remote locations requires additional targeted funding to support their learning. There is considerable research, including that outlined in APPA's *In the Balance* report (2007), which highlights the need for additional funds. Primary principals report that there has been no significant change in this situation and that,

without sufficient additional support, these students' needs cannot be addressed in a manner that supports their achievement of the Educational Goals for Young Australians.

While there appears to be broad agreement that school funding should be tied to student need, in practice this important principle is still commonly ignored. APPA's research has shown that the differential in funding levels based on need is only a small proportion of the total allocation of funding allocated to schools which is, for the most part, based simply on student enrolment numbers. The weightings for student need that were built into the funding arrangement proposed as a result of the Review of Funding for Schooling reflected the massive challenges facing schools with large and increasing proportions of high-need students.

Any commitment of government funds to appropriately address the disadvantage experienced by Australian students in all jurisdictions, sectors and schools will require a staged introduction. Budget decisions by all Australian governments to this time indicate that it is not possible to achieve loading for disadvantage targets in the current funding quadrennium. Therefore, a complete funding arrangement must extend into the next quadrennium if it is to address student disadvantage appropriately.

Funding allocated at the national level to support students struggling to achieve minimum standards must reach those students. This will only occur after there is a much greater degree of transparency, particularly in the way in which school systems disburse government funding to schools.

The loadings for disadvantage are a cornerstone of the current arrangements and will prove to be the significant factor in lifting the performance of individual students and the Australian scores on international assessments of student achievement.

Conclusion

The arrangements Australian governments make for funding schooling will determine if it is possible to have an education system where both choice and equity are present.

APPA urges all governments to build a schooling system where all schools are good schools and choice is not made on the expectation of higher levels of student achievement in a school because of the disparate levels of resources available to it.

APPA believes that a single, needs-based, transparent and predictable funding arrangement will achieve the best educational opportunities for all Australian students.

APPA commits to working with Australian Governments to ensure funding for schooling arrangements meet the needs of all Australian primary school students.