



## **SUBMISSION TO THE SENATE SELECT COMMITTEE INQUIRY INTO THE ABBOTT GOVERNMENT'S BUDGET CUTS**

### **THE VICTORIAN PRINCIPALS ASSOCIATION (VPA)**

The VPA is the peak professional association for leaders in government primary and P-12 schools in Victoria. It has over 940 members from all areas of the state, in metropolitan, regional and remote settings. The VPA recognises the opportunities and challenges that are faced by educational leaders and actively advocates for them in their complex roles of school leadership, by ensuring they are connected, united and powerful. Through the VPA, school leaders have professional advocacy being represented at State, Federal and International levels and receive professional services and support and high level professional learning.

### **VPA SUPPORTS THE NEED FOR THE INQUIRY**

VPA supports the inquiry into the federal government's budget cuts which have created uncertainty around the future funding arrangements for schools. Although the Abbott government has committed to providing National School Funding, at this stage it is only committed until 2017 for public schools. Schools need long term funding arrangements and understanding that this funding will be provided for more than one quadrennium i.e. for at least 6 years not 4 years.

There is also a real concern that the National School Funding will not be passed on in full to schools by state governments.

### **THE IMPORTANCE OF AN EQUITABLE NEEDS-BASED FUNDING MODEL**

The VPA emphasizes the crucial importance of the full implementation of a needs-based model for national school funding. The current model is based on extensive research and consultation and all parties have already agreed to it. It is essential that, if there is to be any modification to this model, it still must be needs-based and grounded on clear research.

Needs-based funding has been established as a result of the Gonski Review. It is important to reference the sound research and logic underlying the findings and recommendations of this group of highly credentialed leaders with expertise in various fields including business, industry, and education but to revisit this would be time wasting and counter-productive. The conclusion that funding reform was essential to lift the performance of students at all levels of achievement, particularly the lowest performers, was supported by the success of countries where there is greater equity of access to the best possible education - countries such as Finland and Canada. Other nations, for example Poland, that have targeted funding at teacher professional development have also demonstrated strong improvement in student achievement. This is evidenced in the most recent PISA results. Powerful evidence was also presented to the Gonski Review in the form of individual school submissions about the resourcing needs of students and how, in many cases, they were not being met. There was convincing evidence that the Australian education system was under-funded and, as such, was failing to maintain educational quality and performance.

The recommendations prioritised the need for a more equitable system that must work as a whole to meet the needs of all Australian children now and in the future, regardless of where they live, the

income of their family or the school they attend. In order to address entrenched inequities in our education system, a needs-based model of recurrent funding that is transparent and capable of application across all sectors and jurisdictions was recommended.

By far the highest proportion of school funding is still based on student enrolment numbers. Differential funding based on need is only a small proportion of the total allocation of funding.

It would be a great pity if the opportunity afforded by the currency and public acceptance of the Gonski review recommendations is only partially realised or even missed altogether.

The implementation of a fairer and more adequate funding model requires a bi-partisan approach that steers clear of interest groups intent on maintaining advantaged or privileged positions in our education systems. Educational achievement must be the result of talent and diligence not something that those with wealth can purchase. The implementation of an equitable needs-based funding model can provide our education system with a true meritocracy.

### **GOVERNMENT SCHOOLS NEED THIS EQUITABLE FUNDING MODEL TO RAISE LEVELS OF STUDENT ACHIEVEMENT**

The VPA draws attention to the current inequity in the funding for government schools that have a significantly higher number of disadvantaged students.

Government schools have a significant role in catering for students suffering disadvantage. For example, 91% of students in the lowest 20% socio-economic demographic, 83% of indigenous students and 78% of students with a disability attend government schools. These students require more intensive and expert support and this costs more money than schools currently have.

Students who are not reaching national minimum standards often have multiple and complex issues. It will be difficult to raise the performance of many of these students if the level of support is not raised.

Government schools require increased funding to meet the needs of both disadvantaged and underperforming students as well as certainty and transparency in this funding.

### **CERTAINTY OF LONG TERM FUNDING**

The VPA stresses the need for certainty of sustained resourcing for schools. Improvement does not happen overnight but is the result of whole school approaches and programs that require ongoing commitment from teachers and school leaders. Ad hoc or short term funding does not work here.

It is essential that the funding is delivered over a six year period. This will enable schools to plan adequately for how they will use the additional funding to make a positive difference to their students and staff. Full Gonski funding will enable schools to improve crucial elements such as the quality and breadth of teaching and professional support for every teacher and leader, intervention that addresses both student learning and wellbeing for every student and access to contemporary technology in every school and classroom. Four years is not long enough to achieve substantial and sustained improvements.

### **FULL FUNDING**

The VPA is particularly concerned that the May 2013 federal budget allocated funding for the first four years of the proposed transition arrangements of less than \$3 billion of the \$10 billion increase required to meet the Commonwealth's share of the 'Gonski' resources target across Australia. Most

of this increase was offset by cuts or discontinuations of other schools programs totalling \$2.1 billion.

In Victoria only \$23 million was allocated to government schools. \$16 million was to address disadvantage and \$7 million to meet the salary requirements from the EBA.

If the commitment of a proper needs-based funding arrangement is for only 4 years, the two most critical years of additional funding will disappear, as by far the greatest allocation of funds was to be made in these two final years. It might also mean that the money schools lose through National Partnerships ending is not fully replaced. The lowest 20% of government schools will not be funded effectively unless there is 6 years of funding as they have a steeper improvement gradient and more complex issues to tackle. These schools will fail to target the quality and equity standards identified by the Gonski review process.

### **TRANSPARENCY OF FUNDING**

The VPA is concerned that in the past, too high a proportion of educational funding has been retained for system costs and not passed on to schools. Funding arrangements must be transparent and the authorities disbursing funds must be accountable.

Schools do not know exactly when or what National School Funding will be delivered and this lack of transparency needs to be addressed. Greater transparency should ensure that there is better direction of funding to address student needs and improve outcomes.

It is disappointing that in the agreement secured with the Commonwealth the Victorian government settled on indexation of its own funding of 1.35 per cent in 2014 and in 2015. This rate is lower than the inflation pressures likely to be felt by schools in those years and well below the 3% envisaged.

### **PRIMARY AND SECONDARY STUDENTS NEED TO BE FUNDED EQUALLY**

The VPA strongly advocates that primary and secondary students must be funded, at least, equally irrespective of year level.

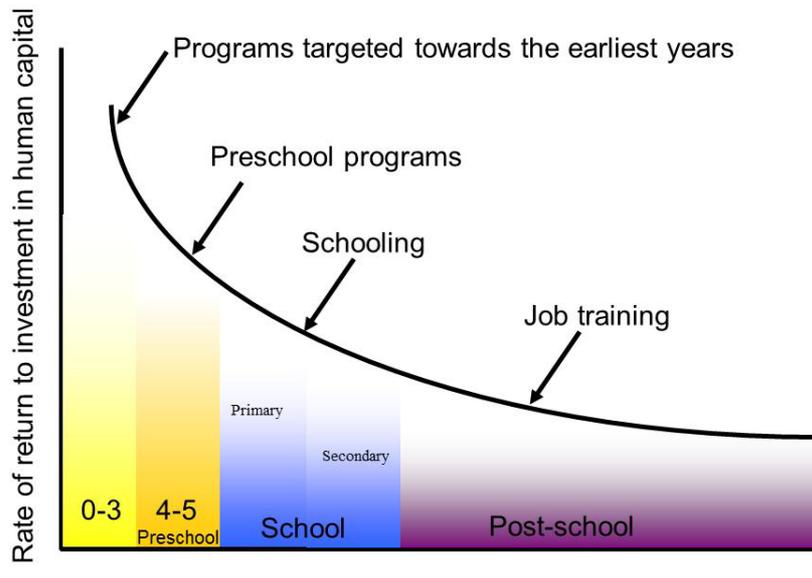
Differential funding between primary and secondary levels of schooling presents another equity issue that needs to be corrected urgently. There is no contemporary research base for this differential funding and it cannot be part of a modern model. The primary years of schooling provide the foundation knowledge and skills necessary to success at the secondary level and early intervention is seen as essential to overcoming education disadvantage. Top performing countries such as Canada and Finland give priority to the funding of the early years and primary years of schooling for these reasons.

Currently, years 3 – 6 are the lowest funded in Australia. The complexity of curriculum and wellbeing provision for students in these years of schooling are as diverse as those as those in junior secondary school and therefore resourcing must be consistent with the levels in Years 7 and 8. Given that they can be required to teach all areas of the curriculum, primary school teachers need at least as much if not more support and resourcing as secondary teachers.

Research by Heckman, Stixrud and Urzua, 2006, found that early intervention is the best way to reduce the sizeable gaps in cognitive and non-cognitive skills that develop early in children's lives linked to socio-economic background. The gaps are manifest at each key stage of progression, leading to slower progress for those who have fallen behind in school, weaker literacy and numeracy skills, poorer subject and course choices disengagement and early school leaving. These gaps then lead to increased likelihood in adult life of unemployment, lower earnings, crime, adverse health and

dependence on welfare. Failure to address the gaps early leads to declining effectiveness of later attempts to intervene and much higher cost. This is clearly highlighted in the figure below which displays the declining rates of returns to delayed intervention.

### Returns to a unit dollar investment



Source: Heckman and LaFontaine (2007).

### CONCLUSION

The key areas addressed by the VPA response are

1. The importance of an equitable needs-based funding model for government schools to raise the levels of student achievement
2. Transparency in funding
3. Certainty of full funding over 6 years
4. Primary and secondary students should be funded equally

The VPA believes in a single, needs-based and transparent funding system to achieve the best educational opportunities for Australian students

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