

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2013-2014**

Outcome 2 - Schools and Youth

DEEWR Question No. EW0063_14

Senator Boyce provided in writing.

Question

NAPLAN

1. Why in analysing the performance of Naplan did DEEWR use the particular method it employed that didn't include comparisons with any control group? 2. Why didn't DEEWR use the same analytical method employed by the arbiter of performance the ANAO, when it examined the performance of the Department in administering the NAPLAN scheme? 3. What's the Department's response to the 2012 Auditor General's report that found the Department administered a \$540 million Naplan program to improve national literacy standards without making any "statistically significant improvement" to those standards? 4. How could the Department allocate \$145 million in so-called reward payments – when there has been 'no statistically significant improvement'? 5. The Auditor-Generals Report also said this regarding the Department's management of the NAPLAN program; "The department did not apply a structured approach to negotiating key implementation arrangements, specifically the number of participant schools, performance indicators, and the reform targets for 2010 and 2011 which were the basis for making reward payments. Consequently, there was significant variability at a state level in the coverage of the LNNP and performance indicators used, and reward targets were not necessarily demanding. In this respect, DEEWR could have more actively pursued the outcomes sought by governments in developing the LNNP framework." What has the Department done to respond to those serious criticisms? 6. The report of audit also said that: "Inconsistencies in the coverage of the LNNP and the level of targeted improvement potentially disadvantaged those states that, in the spirit of the LNNP, had aimed for more challenging targets." P22. How have those issues been addressed?

Answer

1. Why in analysing the performance of Naplan did DEEWR use the particular method it employed that didn't include comparisons with any control group?

The focus of the National Partnership for Literacy and Numeracy (LNNP) was on those students falling behind, with a particular emphasis on primary school students. As such, the Department's analysis focussed on this particular cohort and monitored changes over time in percentages of students at or below the National Minimum Standard.

The \$2.5 billion funding for the Smarter Schools National Partnerships (which included the LNNP, the Low SES National Partnership and the Improving Teacher Quality National Partnership), reached the vast majority of primary schools that had a high proportion of students at or below the national minimum standard in reading and/or numeracy. As such, a control group was difficult to determine.

2. Why didn't DEEWR use the same analytical method employed by the arbiter of performance the ANAO, when it examined the performance of the Department in administering the NAPLAN scheme?

The ANAO analysis related to changes in the average NAPLAN results (or mean scale score) of LNNP schools compared to non-LNNP schools. This included both primary and high schools.

The focus of the LNNP was on those students falling behind, with a particular emphasis on primary school students. Improvements within this targeted cohort may be masked when analysing the mean scale score, particularly when including both primary and secondary schools within the analysis.

Consistent with the focus of the LNNP, the Department's analysis focussed on primary school results and changes at a school level in the percentage of students moving from 'at or below the NMS' to 'above the NMS'. That is changes in performance of the students falling behind.

3. What's the Department's response to the 2012 Auditor General's report that found the Department administered a \$540 million Naplan program to improve national literacy standards without making any "statistically significant improvement" to those standards?

It is important to note that the ANAO report identified that 'given the complexities in measuring the effectiveness of reform activities, it may take several years until a reliable assessment of the LNNP approach can be made.' This was further reinforced by the Joint Committee of Public Accounts and Audit (JCPAA) findings.

Evidence to date shows that the LNNP has made a real and positive difference in schools, particularly for the students the LNNP was targeting.

The LNNP was targeted at students falling behind in literacy and numeracy, particularly primary school students and the LNNP has made a difference for these students.

The Department's analysis of NAPLAN data for this cohort has found that LNNP schools have shown greater improvements in moving students above the National Minimum Standard (NMS) when compared to all schools. For example between 2008 and 2012:

- for Year 3 Reading, 71% of LNNP schools increased the percentage of students above NMS, compared to 61% for all schools in Australia
- for Year 5 Reading, 62% of LNNP schools increased the percentage of students above NMS, compared to 54% for all schools in Australia
- for Year 5 Numeracy, 70% of LNNP schools increased the percentage of students above the NMS, compared to 59% for all schools in Australia
- for Year 3 Numeracy, whilst only 45% of LNNP schools showed improvement, this was still greater than the improvements made by all schools at 38%.

The JCPAA also reached this conclusion noting that the LNNP appears to be having a positive impact on literacy and numeracy outcomes and has led to the development of an evidence base from which education authorities can draw upon for future initiatives. Additionally, the ANAO and the JCPAA, recognised that it will take several years for the full impact of the LNNP to be evident.

In contrast to the ANAO's analysis, a COAG Reform Council report released in April 2012 looked specifically at the results of the students the LNNP was targeting, and found clear overall improvement among those students in reading and numeracy.

Beyond NAPLAN results, the ANAO report found that significant achievement has been made against the other key objectives of the LNNP:

- increased collaboration between schools in achieving literacy and numeracy reform;
- improved classroom practice in literacy and numeracy; and
- has had a positive impact on school leadership and student engagement.

4. How could the Department allocate \$145 million in so-called reward payments – when there has been ‘no statistically significant improvement’?

Under the Intergovernmental Agreement on Federal Financial Relations (IGA-FFR), the COAG Reform Council (CRC) has the mandate to assess achievement of reform targets for NPs that have a reward funding component.

The decision on the amount of reward funding paid to each state and territory was based on the CRC's assessment of performance against state and territory agreed targets and the relevant agreements in place.

Both national and local level targets were established with each state and territory to reflect their different starting points, local contexts and focus of reform activity. Targets, for both years of reward funding, were required to demonstrate improvement over and beyond what would normally be seen without the additional investment. All targets were independently assessed by the Australian Council for Education Research (ACER) to be both suitable and ambitious.

In contrast to the ANAO's analysis, the CRC performance reports found clear overall improvement amongst participating schools and students in reading and numeracy, as their analysis focused on the results of the cohort targeted by the LNNP.

Notwithstanding the improvements made, of the \$350 million available in reward funding to states, \$64 million was withheld from final payments in June 2012, due to targets not being met. The *Joint Committee of Public Accounts and Audit's Report 435: Review of Auditor-General's reports Nos 33 (20011-12) to 1 (2012-13)*, references the Auditor-General noting "*that it was 'encouraging' that where targets were not met, funds were being withheld, commenting that 'this is the system working as intended'*" [page 11 of JCPAA report].

5. The Auditor-Generals Report also said this regarding the Department's management of the NAPLAN program; "The department did not apply a structured approach to negotiating key implementation arrangements, specifically the number of participant schools, performance indicators, and the reform targets for 2010 and 2011 which were the basis for making reward payments. Consequently, there was significant variability at a state level in the coverage of the LNNP and performance indicators used, and reward targets

were not necessarily demanding. In this respect, DEEWR could have more actively pursued the outcomes sought by governments in developing the LNNP framework.” What has the Department done to respond to those serious criticisms?

The ANAO report acknowledged that many of their findings related to the Department’s administration in the absence of relevant Federal Financial Relations (FFR) Circulars. In the absence of these guidelines, the ANAO noted that the Department worked collaboratively with central agencies in the design and implementation of the LNNP, sought their advice appropriately and that the learnings from this flagship NP helped to inform the subsequent guidance provided by the central agencies.

The Auditor-General identified several strengths in the Department’s administration of the LNNP, including payments being soundly based, effective relationship management and strong governance arrangements.

The JCPAA stated that the Department made clear improvements to the LNNP’s implementation over time, and responded positively to the audit report’s findings.

6. The report of audit also said that: “Inconsistencies in the coverage of the LNNP and the level of targeted improvement potentially disadvantaged those states that, in the spirit of the LNNP, had aimed for more challenging targets.” P22. How have those issues been addressed?

In line with the principles of the IGA-FFR, the department provided states with flexibility to negotiate literacy and numeracy strategies and reform targets suitable to their particular context. This resulted in different approaches, milestones and targets being applied and recognised the different starting points for each state and territory. To seek a uniform approach to implementation would have been considered a form of input control, which is against the principles of the IGA-FFR.

This meant that each state and territory’s targets could not be the same, and could not be compared.

The ANAO noted that the LNNP performance indicators and measures for improvement had a number of positive features to improve the accountability of governments to the public including:

- the collection of baseline data at the commencement of the LNNP;
- reporting was underpinned by a nationally consistent dataset (NAPLAN) that was directly relevant to the LNNP outcomes; and
- local measures of the effectiveness of initiatives within a state were incorporated into the reporting framework.

Administration concerns raised by the ANAO predominately related to the first year reward process. Substantial process improvements were made in the administration of the second round of rewards. The ANAO acknowledged that these improvements resulted in a better designed, more robust and transparent process.

The Auditor-General also commended these improvements at the JCPAA Public Hearing.

Improvements included the development of technical guidelines on target setting to facilitate more consistent and transparent measures and the establishment of a

common performance reporting template which defined key terms and how measures for improvement could be used.