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Briefings

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From the Executive Director

Schools Funding Debate: Careful Language Required

The Federal Minister for Education, the Hon Senator Simon Birmingham thinks that some private schools are "overfunded" (Q&A ABC TV 26/9/16)[1] and Dr Ken Boston, a member of the Gonski review panel, thinks that the implementation of the current schools funding model was "corrupted" (*Australian Policy Online* 6/9/16)[2].

Both views have led to almost hysterical media coverage and commentary which is unjustified and ignores the complexity of school funding arrangements, historical factors and the politics of education.

When thrown together "over-funded" and "corruption" imply that schools have done something wrong and they have manipulated their funding arrangements at the expense of others- nothing can be further from the truth.

To be clear, schools in Australia receive Australian Government funding in accordance with an Act of the Federal Parliament (the *Australian Education Act 2013*) which was passed by the Gillard Government in June 2013. This resulted in the implementation of the School Resource Standard (SRS) funding model from 2014 (popularly, but incorrectly, referred to as the Gonski model).

The fact is that a number of schools across Australia are currently receiving more Australian Government funding than they are entitled to under the extremely complex formula that is integral to the SRS model. These schools exist across all three sectors of schooling – Government, Catholic and independent, however, the systemic funding arrangements applying to Government and Catholic schools largely mask the issue, making independent schools an easy target for criticism.

What the media coverage didn't highlight is that these "over-funded" schools are on a transition path under the current funding arrangements to their funding entitlement.

It has been long established policy of Australian Governments of both political persuasions to enact transition arrangements when there is a change in the schools funding model. This is appropriate given the disruption that a sudden change in Australian Government funding would have on the operation of a school and the resulting impact on the school community.

Transition arrangements were put in place when the Australian Government changed the funding model from the Education Resources Index to the Socio Economic Status (SES) model in 2001.

1 Q & A host Tony Jones asked the Education Minister "Are there wealthy private schools over-funded"; "There are some that fit that bill, yes, there are" Minister Birmingham said.

2 Dr Boston's actual comments were "in the run-up to the 2013 election, Prime Minister Kevin Rudd and Education Minister Bill Shorten hawked this corruption of the Gonski report around the country, doing deals with premiers, bishops and various education bodies … and they led to a thoroughly unsatisfactory situation".

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Under the SES model, even when a school was entitled to less funding, because of a change in their SES score, the school was given a funding guarantee to ensure there was not an "overnight" cut to their funding. Any major change in a school's Australian Government funding without an appropriate transition period would cause major disruption to the financial position of the school and to the ability of parents and families to continue to support the school.

To understand the current Australian Government funding arrangements for schools, it is important to reflect on the history of school funding in Australia.

Today, the case for government funding support for students enrolled in independent schools is supported by all governments, although the level of support varies from state to state and from time to time.

Prior to the early 1960s, there was no direct Australian Government funding for independent schools, although in 1952 tax deductibility of some school expenses was introduced (and continued to the early 1970s).

The Menzies Government first introduced a Commonwealth secondary scholarship for technical students and Commonwealth capital grants for science buildings in 1963. In 1969, the Commonwealth Government introduced uniform per pupil grants for non-government schools linked to a percentage of average government school costs.

Needs based funding for non-government schools was introduced by the Whitlam Government after 1972 under the School Recurrent Resources Index (SRRI).

The Hawke Government replaced the SRRI formula with the Education Resources Index (ERI) in 1985 with school need assessed according to income of school compared with the costs of educating a child in a government school. Funding was based on 12 categories (Category 1 receiving the least amount of funding and Category 12 the highest).

Many of the independent schools that are currently seen as "over-funded" were established during the era of the ERI funding model and were appropriately at the time granted Category 6 – 10 funding status for funding purposes based on the income available to them at the time.

The Howard Government introduced a new funding model based on the Socio-Economic Status (SES) of the school community in 2001. SES was a measure of the relative needs of parents and school communities rather than a measure of a school's resources and income – a significant shift in school funding policy to focus on student need, which continues today.

Australian Government policy at the time of change from ERI to SES funding ensured that schools maintained their historical funding levels. This applied to many schools across the nation which would have seen their actual funding reduced under the SES model.

The SRS funding model for schools was introduced in 2014, further refining the targeting of Australian Government funding for schools to assessed student needs.

As per long standing Australian Government policy, the then Gillard Government guaranteed that no school would be worse-off as a result of the change in funding model and, to achieve this, set differential indexation rates for funding determined by whether or not a school was receiving more or less than their entitlement under the complex formula used as part of the model.

In this historical context, the small number of independent schools that are being targeted as "over-funded" might be better described as "in transition" to their funding entitlement.

Whilst a more precise use of language is necessary in the context of the current schools funding debate, it won't resolve the extraordinarily difficult issues that the Federal Education Minister currently faces. There are two major problems for the Minister.

Firstly, the Federal budget's forward estimates provides for the Coalition's policy position that total schools funding be indexed by a reasonable 3.56% from 2018 with Australian Government funding for schools increasing from $16 billion to $20 billion per annum during the four years. However, this amount of funding falls short by more than $8 billion as compared to what is provided for in the current legislation and national agreements.

To bring the funding amounts in the forward estimates and the current arrangements back into line, the Minister must not only negotiate new funding agreements with the states and territories and the non-state schooling sectors but also have the *Australian Education Act* amended by the Federal Parliament. The latter is not a given considering the composition of the Senate where the Australian Government needs nine additional votes (most likely from the cross benchers) to pass legislation.

Even if the Minister can achieve what appears to be an almost impossible task of matching the forward estimates with the legislated funding arrangements, he then has the unenviable task of deciding how the Australian Government's annual $20 billion investment is allocated to the 3 million plus students across the three schooling sectors.

There is little room to move for the Minister in achieving a truly equitable and sector-blind funding distribution given the historical funding arrangements, the majority role played by state/territory governments in funding state schools, and the inevitable politics. Whatever the outcome on the distribution model to schools, it is almost certainly guaranteed that not everybody will be satisfied. Public school advocates will continue to claim that too much funding goes to non-state schools; the independent sector will claim their treatment is inequitable and little recognition is given to the significant parental effort towards the costs of schooling in their sector.

Whilst there is increasing questioning as to whether or not the significant increased investment by the Commonwealth in schooling over the past decade has actually made any difference to student outcomes, every school in Australia would no doubt claim that it could benefit from more funding and resources.

This should be used as an opportunity to debate how the nation can adequately fund schools into the future.

It is clear in the context of an aging population and the resulting decline in our tax base, the current state of Australian Government finances (with Australia reportedly having one the fastest growing debt levels in the world) and the unabated cry for more education spending, now is the time for a serious debate as to how Australia can source more schooling expenditure without increasing public debt further.

Unless the nation is prepared to have a serious debate about this issue, advocating for more investment in schooling will only degenerate into pitting sector against sector, school against school and the Commonwealth against the states/territories. This would be less than productive in a period when Australia's education outcomes are acknowledged to be in relative decline compared to many other countries.

Whilst governments could spend more on schooling, it would require an increase in taxation. In the context that Australia is already a highly taxed nation, a rise in the GST rate, despite the difficult politics, seems inevitable sometime in the next ten years. Any such increase in taxation surely needs to be applied to repairing our alarming national budget deficit.

The best prospects for increased spending on schooling must come from private investment. The parents of students attending independent schools in Queensland already invest more than $1 billion from their after-tax income into schooling through the payment of fees.

Further private investment in schooling could be generated from business. Whilst business might correctly claim that they already pay taxes which are used to fund government services, including education, there is potential for direct

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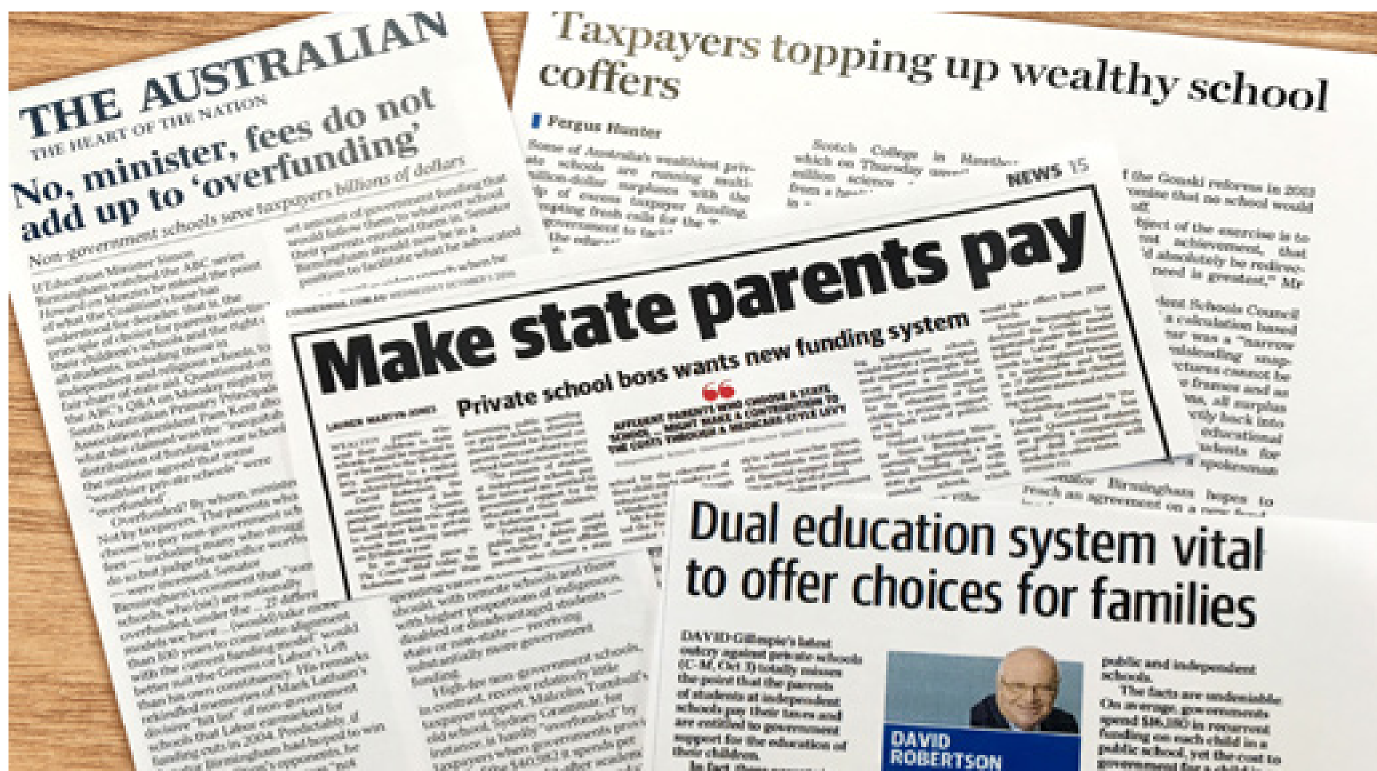

investment through specialist schools. Business has an involvement in charter schools in the USA; this could be applied in Australia. Business is also funding micro-schools in the US, a model that would be easily applicable to Australia.

However, there is no doubt the best potential for increased private investment in schooling rests with parents. Parents value the education of their children and it is time to debate whether or not parents who can afford to pay something should contribute to the costs of public education.

Public education has been free (and secular) for over a century in Australia but can we continue to accept that wealthy parents whose children attend state schools receive a subsidy equivalent to the full costs from governments?

Even if half of the parents of the 2.5 million students attending state schools across Australia could make a contribution of $2,000 per year to the costs of schooling, this would generate $2.5 billion in additional funding.

This could be achieved in a number of ways including a direct levy based on income, an "edu-levy" operating similar to the medicare levy or through means tested vouchers to parents to be spent on the school of their choice.

Such public policy proposals which have been floated more regularly in recent years are always met with outrage and total rejection by politicians, community leaders and public education advocates.

The reality is that if Australia wants to invest more in schooling and at the same time address our public debt levels, there will need to be a debate on how to increase private investment in schooling. That debate needs to focus on parents who can afford to make a contribution to state schooling, not the parents of students attending non-state schools who already make an extraordinary contribution to the education of their children.

David Robertson
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Leading Thinking to Manage Change

"Systemic change needs more than data and information; it needs real intelligence and wisdom". (Senge, Hamilton, & Kania, 2016)

Introduction

Schools are preparing to adapt to another round of significant systemic change (Senior Assessment and NAPLAN Online), whilst at the same time still working towards embedding systemic reforms from the last five (5) years (Professional Standards, performance and development, the Australian Curriculum). School leaders and governors are challenged to lead in ways that enable professional conversations that are not distracted by the 'what is to be done' but remain focused on the 'why'.

The 'why' could also be described as the moral purpose. Fullan (2011) defines the moral purpose as "the imperative for all schools to raise the bar and close the gaps for all children regardless of background". (p ix)

What is the moral purpose underpinning school leadership?

Currently Australia is facing a growing number of young people who are neither employed nor in education or training (NEETs). This group risk being left permanently behind in the labour market (OECD, 2016).

A response from schools is required for those students who are most in need. Whilst 15% of Australian students were top performers (reaching proficiency Level 5 or 6) in mathematical literacy in 2012, this is far less than the 56% of students in Shanghai, China. Nine (9) countries have significantly improved their mathematical literacy performance since 2009, while thirteen (13) countries (including Australia) have declined significantly. Australia's mean mathematical literacy performance declined by twenty (20) score points on average between PISA 2003 and PISA 2012. (Thomson, De Bortoli, & Buckley, 2013, p xiii)

Whist it could be argued that reform, funding debates and systemic change are perennial, data indicating that there is increasing inequity and declining achievement for our highest performers should motivate educators to continue to think carefully about the role all members of an educational community play in leading meaningful change.

Those with the responsibility for leading change have an even greater imperative to consider approaches to leadership that will most effectively take a school forward in order to benefit all of its students.

The Australian Professional Standard for Principals (APSP) defines school leadership under five (5) professional practices:

- leading teaching and learning
- leading self and others
- leading improvement innovation and change
- leading the management of the school
- engaging and working with the community.

"The APSP sets out what principals are expected to know, understand and do to succeed in their work and ensure their leadership has a positive impact.

The Standard takes into full account the contribution made by principals in:

- raising student achievement at all levels and all stages
- promoting equity and excellence
- creating and sustaining the conditions under which quality teaching and learning thrive
- influencing, developing and delivering on community expectations and government policy contributing to the development of a twenty-first century education system at local, national and international levels". (AITSL, 2014, p 4).

The professional practices describe areas where school leaders can direct their influence and engage in change leadership activity. However, researchers in leadership theory are challenging the notion that there is a single leadership style or framework that school

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leaders should employ when galvanising a team to undertake change and establish cultures of continuous improvement. Rather, there is increasing emphasis on the development of a change resilient and improvement focused culture.

Approaches to leadership

The work of Sheard and Sharples (2015) is focused on developing school leaders' capacity to draw on evidenced based practice as a management tool for school improvement. By encouraging school leaders to work in partnership with researchers, they select 'proven' interventions after deeply investigating the needs of students and the suitability of the intervention, given the context of the school. This process is managed through a five (5) stage engagement process (see *table 1*).

Their research about this process has highlighted the challenges school leaders face at Stages 3 and 5. The Stage 3 challenge is about leading the implementation of an innovation or a new intervention in a way that ensures that all teachers implement as planned so that it has the intended impact for students. The second challenge highlighted in the research is the difficulties school leaders face establishing useful data gathering and analysis activities to gather the feedback needed to determine growth and impact.

Table 1: The five-stage engagement process.

Epistemic actions	Engagement process stages	Focus
Questioning	Stage 1. Setting the Scene	What aspects of teaching and learning are working well and not well? Why do you think that? What data sources are you using to inform your decision? What does the school data tell you? Where do you see a need for charge?
Analysing	Stage 2. Digging Deeper	Analysing data-driven decision making. Identifying two possible foci for change, at least one being an aspect of a core curriculum area.
Constructing a model to identfy a solution	Stage 3. A Way Forward	Identifying programmes and processes and evidence of effectiveness.
Running the model	Stage 4. Managing Change	Ensuring teacher autonomy and implementation fidelity. Promoting networks for teacher collaboration and teacher learning.
Consolidating outcomes into a new stable form of practice	Stage 5. Capturing Outcomes and Sustaining Change	Cycle of enquiry and review; emphasis on sustained implementation and gathering evidence of raising pupil achievement.

Overall, they conclude that school leaders need "access to comprehensive information about what works, provided by the research community and based on the internationally accepted evidence ratings. Secondly, school leaders need to be empowered to make judicious choices about provision based on robust school data and professional knowledge". (Sheard & Sharples, 2015, p 18).

Leading change through enquiry, research and drawing on evidence based approaches to improving instruction are supported by educational jurisdictions nationally.

To assist school leaders to identify the most effective instructional methods or interventions to improve student performance, 'evidence hubs' are being developed.

These includes the Australian Evidence for Learning, *Teaching and Learning Toolkit* www.evidenceforlearning.org.au/the-toolkit/ (Social Ventures Australia, 2016) and the United Kingdom's Institute for Effective Education, Education4Impact www.evidence4impact.org.uk/programmes.php#search_results (Education4Impact, 2016).

Several state education departments in Australia, including Education Queensland, are also establishing evaluation hubs.

Kirkman (2014) states that while "instruction is key to improving student achievement…our educational leaders need to broaden, not narrow, their leadership competencies to be successful in today's world". He researched one thousand American school leaders and found "high performing leaders embrace innovation and have the curiosity to learn from their teachers, colleagues, leaders in education and even other sectors about building truly creative learning environments for staff and students". (para. 5).

Kirkman has defined *Seven Key Competencies for Whole-System Change*. The competencies "delineate the traits, characteristics, values, and behaviours of leaders who can focus on their own improvement, build capacity in others, and focus outwardly on the future trends in education". (2014, para. 7).

He has determined that a leader equipped to create and sustain systemic change does the following:

1. Challenges the status quo
2. Builds trust through clear communication and expectations
3. Creates a commonly owned plan for success
4. Focuses on team over self
5. Has a high sense of urgency for change and sustainable results
6. Commits to continuous improvement for self
7. Builds external networks and partnerships (Kirkman, 2014).

Kirkman's work emphasises that whilst instructional leadership is central to improving student outcomes, leadership in a broad schooling context is also about building a culture. He is focused on establishing quality instruction, supported by excellent school management and enriched by quality community/family partnerships.

Another school leadership framework that is broader than explicit instructional intervention is Harvard University's Project Zero (Harvard University, 2016). This project advances the work of academics like Ron Ritchhart who are committed to building a culture of thinking in schools. *Project Zero* is about establishing learning communities where a group's collective as well as individual thinking is valued, visible, and actively promoted as part of the regular, day-to-day experience of all group members.

Ron Ritchhart's initial *Culture of Thinking* project (2002) focused leaders and teachers' attention on eight (8) cultural forces present in every group learning situation which act as shapers of the group's cultural dynamic.

Ritchhart has since developed a leader's self-assessment tool, to investigate key cultural forces in order to determine where a leader might invest energy in establishing a thinking culture more suitable to supporting change.

The cultural forces Ritchhart identifies are:

- expectations
- language
- modelling
- time
- environment
- opportunities
- routines; and
- interactions.

A copy of the leader's self-assessment tool can be found here: www.pz.harvard.edu/resources/for-teachers-and-leaders-handouts-to-guide-a-cot-classroom

Ritchhart states that "awareness of the processes of cultural forces in any group context helps prospective and experienced educators alike take a more active role in shaping culture. In doing so we move away from teaching (and leadership) as transmission and toward the creation of a culture where thinking and learning comes alive". (2015, p 28).

Ritchhart's view is that a *Culture of Thinking* program is not a 'one off and done' implementation process but rather a way of creating the conditions for a community to face and manage change and monitor improvement.

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He is clear that all members of a school community exercise some leadership and he uses the following key questions with any level of a school team to focus attention on key areas throughout a change process.

1. **Purpose** – What are we striving to make a reality?
2. **Tools** – What practices will help us achieve that vision?
3. **Facilitation** – How will we support our ongoing efforts? What ongoing learning is required to achieve the vision and implement tools to their best effect?
4. **Growth** – What does progress look like? What are we seeing in both teachers and students that will help up recognise our progress and identify our collective next steps? What are we documenting and celebrating? (2015, p 265)

The idea that leadership in periods of change is more about creating the right conditions and energising the collective contribution of all stakeholders is taken further by Senge, Hamilton, & Kania (2016). They articulate the value of collective leadership as the enabling of all members of a system to see their contribution to addressing challenges. Rather than focusing on making change happen, they assert that system leaders create the environment or conditions that can produce change and can cause change to be self-sustaining.

Senge, Hamilton, and Kania (2016) describe three core capabilities of system leaders that enable them to develop collective leadership. The first capability is the ability to see the larger system. "In any complex setting people typically focus their attention on the parts of the system most visible from their own vantage point. This usually results in arguments about who has the right perspective on the problem. Helping people see the larger system is essential to building a shared understanding of complex problems. This understanding enables collaborating organizations to jointly develop solutions not evident to any of them individually and to work together for the health of the whole system rather than just pursue symptomatic fixes to individual pieces". (p 28).

This view of leadership as an approach to framing the problem from multiple perspectives and bringing more than one stakeholder to developing solutions is useful in the context of school leadership because leaders and governors have to establish a vision and plan for change within a complex context and with a diverse range of stakeholders.

The second capability involves "fostering reflection and more generative conversations. Deep, shared reflection is a critical step in enabling groups of organizations and individuals to actually 'hear' a point of view different from their own and to appreciate emotionally as well as cognitively each other's reality. This is an essential doorway for building trust where distrust had prevailed and for fostering collective creativity". (p 28) This capability links to schools' understanding that regular feedback about practice at every level is key to sustaining meaningful improvement for students, teachers and leaders.

The third capability centres on "shifting the collective focus from reactive problem solving to co-creating the future, being willing to face difficult truths about the present reality to inspire truly new approaches". (p 29) In an independent schooling context, the responsibility for system leadership is shared between the governing body and the school leader. Both have a responsibility to understand and improve the school in partnership with a broad range of stakeholders. The focus of this leadership approach is again on creating the right conditions for the members of a schooling community to lead from their level, with the confidence that they understand the future and have the support to engage in new ways of working to meet the challenges.

Conclusion

The purpose of education is clear. To give greater advantage to all regardless of their personal circumstances and to develop those with means into ethical and compassionate leaders who will work to improve the outcomes of all those they have the privilege to lead.

As school leaders and governors consider their approaches to leadership in a time of significant systemic change, this paper outlines a range of leadership theories that may assist a school leader or governor to consider their approach moving forward that maintains a school community's focus on the 'why' not only the challenges of the 'what'.

Leadership theorists in this paper are clear that there is no single blueprint for change. To highlight the lack of prescription but still the need for action, Hargreaves, Boyle and Harris (2014) summarise their notion of 'uplifting leadership'; "in a time of crisis, uplifting leaders often do the exact opposite of what others might expect or anticipate. They are unconventional thinkers and know how to be imaginative in adverse and volatile conditions". (p 65).

School leaders are constantly grappling to predict and respond to the future of schooling. It is their willingness and ability to communicate to every member of the community a clear imperative and vision for action, alongside a rationale and implementation plan for engaging in certain interventions, that will take schools forward.

This paper has outlined some key educational leadership theorists who consider approaches to leadership in times of change. It is clear from their work that any intervention or innovation needs to have a strong evaluative framework. It is also clear that the quality of the reflections, conversations, celebrations of progress and the development of collective leadership across the school community are key to ensuring sustainable change and impact for all students over time.

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