

## Briefings

Thought leadership for the independent schooling sector

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### SCHOOLS NEED TO ADDRESS THE RISKS IN BUDGETING FOR GONSKI 2.0

#### From the Executive Director

A long-standing principle held by the independent schools' sector is that Government funding arrangements should be predictable and stable<sup>1</sup>. Even the architect of the current Australian government funding model for schools, David Gonski, highlighted in his *Review of Funding for Schooling* that any new funding model should embrace the principle of "transparency and clarity"<sup>2</sup>.

As many independent schools have now discovered, the Gonski 2.0 funding model is complex, volatile to variations in individual school funding from year to year and very difficult to predict.

Under the former Socio-economic Status (SES) funding model, which was in place for independent schools from 2001 to 2014, it was relatively easy for schools to budget future Australian Government funding. There were just two key working parts to the model that might vary each year - the number of enrolments at a school and the percentage increase in Average Government School Recurrent Costs (AGSRC). The third key component of that model - a school's SES score - was updated each five years.

By comparison the Gonski 2.0 funding model has nine working parts (see Figure 1) and a level of complexity which even the best school Business Manager will have some difficulty in understanding, let alone using for future budgeting.

The sensitivity of individual school funding to the working parts of Gonski 2.0 was significant this year. When the final figures at the school level were notified in October, there were many

shocks and surprises at their variation from what might have been budgeted based on provisional funding estimates for 2018.

Australian Government funding for independent schools is provided in three instalments in any given year - January (50% of entitlement), July (25%) and October (25%). The January and July payments are based on the previous year's data and classified as "provisional" with the October payment based on actual data for the year. Where there have been key changes in data from year to year, the October payment is used to reconcile the overall entitlement for the year. Occasionally, there have been schools in the past that have been required to actually repay funds to the Commonwealth as a result of this process.

For 2018, the change in the methodology to calculate the loading for students with disability from verified students under state arrangements to students identified through the Nationally Consistent Collection of Data on School Students with Disability (NCCD) has caused significant issues for some schools whose funding may have varied from what was budgeted by more than half a million dollars.

The loadings in the Gonski 2.0 model are expected to account for around 25% of Commonwealth funding for non-government schools in 2018. This percentage will vary at the individual school level depending upon student

1 See for example ISCA Position Statement at <http://isca.edu.au/wp-content/uploads/2017/02/Key-funding-principles-Dec-16.pdf>

2 See p 149 of *Review of Funding for Schooling* December 2011 available at <https://docs.education.gov.au/documents/review-funding-schooling-final-report-december-2011>

## SCHOOLS NEED TO ADDRESS THE RISKS IN BUDGETING FOR GONSKI 2.0

### FIGURE 1

#### The working parts of the Gonski 2.0 funding model

**Schooling Resource Standard (SRS)** – a per student amount for primary and secondary – indexed annually through to 2021 at 3.56% and after 2021 by a rate determined by a formula based on a combination of the Consumer Price Index (25%) and Wage Price Index (75%) with a minimum rate of 3%.

**SES score** – the socio-economic status (SES) score of a school is used to discount the SRS by the anticipated capacity of a school community to financially contribute to school costs. It is updated each five years but will be replaced in 2022 by a new measure – Personal Income Tax (PIT) – which will directly measure the income of parents/caregivers. Although not yet confirmed, it is expected PIT will be updated annually.

**The number of students at the school** – student numbers are based on the annual Census of Schools in August. Given the Gonski 2.0 model results in a per student funding rate for a school, the mix of students between primary and secondary, which may vary from year to year, is a factor in overall funding for combined primary/secondary schools.

**Students with disability loading** – from 2018 this is determined by the number of students in the extensive, substantial and supplementary categories of the NCCD recorded in the annual Census. NCCD is based on teacher judgement of the adjustments provided for a student with a disability and is likely to vary from year to year.

**Low English language proficiency loading** – this is based on the percentage of students from a language background other than English with at least one parent with educational attainment only to Year 9 or below. The data source is parental background data submitted as part of NAPLAN. It is updated each two years.

**Aboriginal and Torres Strait Islander student loading** – this is based on the number of ATSI students at a school recorded in the annual Census. Likely to vary from year to year.

**Socio-educational disadvantage loading** – this is based on the percentage of students at the school from socio-educationally disadvantaged backgrounds as determined by parental background data submitted through the NAPLAN process. Updated each two years.

**School location loading** – this is based on the location of the school in terms of the Accessibility/Remoteness Index of Australia (ARIA). Whilst school location doesn't change, the loading is based on the number of students at the school which will vary from year to year.

**School size loading** – this is based on the number of students (up to 300 primary students and 700 secondary students). This is a scaled loading and will vary year to year based on the number of students.

In addition to these working parts of the model, there are also transition arrangements to be considered for schools to reach the legislated requirement that the Australian Government fund 80% of a school's public funding entitlement under the model. For most schools, these will be completed by 2023. However, some schools

and other characteristics of the school. On average, this means that a quarter of Commonwealth grant income for a school is subject to data changes on an annual basis. This results in potential volatility of funding. The higher the percentage of a school's Commonwealth funding that is attributable to the loadings, the higher the risk in variations from year to year in overall funding.

Whilst it is incumbent on independent sector bodies like Independent Schools Queensland (ISQ) to advocate to the government for funding models that are easily understood, transparent, stable and predictable, there are some strategies that schools might consider, to ensure that budgeting for future Commonwealth grants is as accurate as possible.

School management needs to clearly understand the technical features of the funding model and how the model applies to their circumstances. Schools should be aware of the percentage of their funding that results from the various loadings and how changes in relevant student or school characteristics will impact on their funding. Several resources are available to assist in this process including the Act and Regulations and various guides to the Act and Regulations<sup>3</sup>. Support in interpreting the technical details of the model and the risks associated with them at the individual school level can be sought from ISQ.

Schools should undertake rigorous scenario planning on a regular basis in relation to the key components of the model. Modelling the impact of an increase or decrease in a cohort or characteristic of student cohort means schools can adjust their budgets accordingly in terms of likely Commonwealth funding. At a minimum, this should be undertaken at the start of each year. This includes not only overall student numbers (which are generally known early in the year) but other key variables like NCCD

3 See for example <https://www.education.gov.au/what-schooling-resource-standard-and-how-does-it-work>

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and Aboriginal and Torres Strait Islander students. The Australian Government makes available an online estimator tool<sup>4</sup> where schools can look at different scenarios and the impact on their future funding. ISQ can also assist to model future funding based on variations to each of the working parts of the model.

Schools might also consider separating, for budgeting purposes, base funding (SRS) and funding generated through the six loadings. Funding from loadings is likely to be more volatile compared to base funding. Less certainty around the funding from loadings might be embedded in the school budget or a higher risk level given to the loadings component of funding. This might also assist schools to ensure that funding from loadings is targeted at the students with the highest needs. In theory, if a schools funding is reduced because it has less students in the extensive

category of NCCD, the resources required by the school would also be reduced. Treating loadings in a budgeting sense as additional funding linked to individual student needs might assist in avoiding a long-term dependence on such funding for general operating costs.

Schools need to use a range of strategies to ensure their budgeting is as accurate as possible in terms of government funding. Under the Gonski funding models, the task of forward budgeting has become more difficult and involves higher risks. Unexpected changes in government funding on a year to year basis is not conducive to good school planning. In the Gonski era, good school management needs to focus on mitigating the risk of unexpected funding changes. Independent schools need to be proactive in this task.



**DAVID ROBERTSON**  
*Executive Director*

4 Available at <https://www.education.gov.au/school-funding-estimator/>

## A Special Note from the Executive Director

*In this final edition of Briefings for 2018, I would like to take this opportunity to wish everybody a happy and safe holiday break.*

2018 was a special year for ISQ with the celebration of our **50th anniversary**. It also saw many policy issues in schooling rigorously debated in the media and community. Some of those issues were reflected in the wide range of subjects covered in *Briefings* articles this year including, federal funding arrangements for schools, NAPLAN, teaching and learning and parental engagement.

I trust that *Briefings* has added to thought leadership for the independent schooling sector in 2018 and in this regard, I acknowledge the contribution of ISQ Directors, Mark Newham, Shari Armistead and Josephine Wise and others for their excellent contributions through research articles. Thank you also to the ISQ staff for the excellent production and distribution of *Briefings*.

I also acknowledge the many organisations, including the education media, which have reproduced *Briefings* articles throughout the past year. ISQ is proud to be able to contribute to the debate of schooling policy issues and looks forward to keeping school communities informed and engaged once again in 2019.

**DAVID ROBERTSON**  
*Executive Director*  
*Independent Schools Queensland*



## GREAT TEACHERS AND GREAT TEACHING, WHERE TO FROM HERE?



**JOSEPHINE WISE**  
Director (Education Services)

*“Teachers can and usually do have positive effects, but they must have exceptional effects. We need to direct attention at higher quality teaching, and higher expectations that students can meet appropriate challenges - and these occur once the classroom door is closed.”*

(Hattie, 2003)

**Laureate Professor John Hattie has been reminding school leaders, teachers and the Australian community that the only way to achieve significant gains in student outcomes is through the work of quality teachers.**

He and other researchers are also clear that quality teaching can be enabled or stifled by school leaders. Leadership is second only to teaching among all school-related factors that contribute to what students learn at school (Leithwood, Seashore-Louis, Anderson and Wahlstrom, 2004, p 5).

**Figure 1: 8 Priority Areas Identified by Independent Schools Queensland**

- Priority 1: Goal setting
- Priority 2: Classroom observation
- Priority 3: Collecting evidence of quality teaching
- Priority 4: Engaging in performance and development conversations
- Priority 5: Leading and undertaking mentoring
- Priority 6: Supporting further study by teachers
- Priority 7: Providing rewards for high performance
- Priority 8: Implementing online performance and development systems

The ways leaders develop, and support teachers matters. Effective leaders create cultures of high expectations, establish strong professional learning communities and lead ongoing efforts to improve teaching practices (Masters 2010, p. 1). As the structures of curriculum and assessment evolve, a ‘narrow and sharp’ focus on quality teaching must remain, and that is key to ensuring the improvement in all Queensland schools continues. To look forward at what still needs to be done, it is important to reflect on what has been achieved.

### Great Teachers in Independent Schools

From 2014-2018, successive Queensland Governments invested over 40 million dollars for independent schools to focus intensely on quality teaching. Over 95% of this investment was allocated directly to schools through the Great Teachers in Independent Schools program (GTIS).

Underpinning quality teaching reforms were the Australian Professional Standards for Teachers (the Standards) and the Australian Teacher Performance and Development Framework (the Framework). While the Standards described differentiated teaching performance consistently, nationally and publicly for the first

time; the Framework made it clear that there are processes that school leaders could establish to catalyse quality teaching (AITSLa, 2012).

“The Framework highlights what is required to build a comprehensive and effective approach to high performance and development. It outlines the characteristics of a successful system and the culture that needs to be in place for sustained improvements to occur in schools.” (AITSLb, 2012, p. 2)

In consultation with the Queensland Government and school leaders, Independent Schools Queensland (ISQ) identified 8 Priority Areas (Figure 1). These priorities aligned with the Framework and other research that indicated that they could have an impact on quality teaching or would support the development of a professional culture that explicitly considers quality teaching. Schools could select one or more Priority Areas. Schools also agreed to report on the implementation and the impact of their selected priorities (Figure 2).

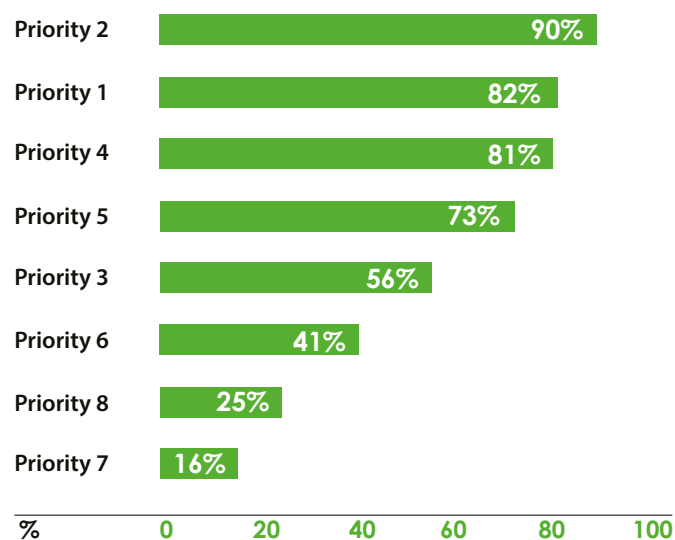
### What has been accomplished?

Since the Great Teachers in Independent Schools (GTIS) program was launched, over 4500 unique teachers from 95 unique schools



## RESEARCH CONTINUED

**Figure 2: Priority Area Frequency by School, 2015–2018**



have participated in ISQ’s Professional Growth Tool (PGT). The tool asks teachers to self-reflect on their strengths against the career stages and focus areas of the Standards.

The data from this survey has guided performance conversations in schools about areas where teachers are confident or less confident.

In the last five years, teachers have grown in confidence in the following areas:

- 1.3 – Supporting students with diverse linguistic, cultural, religious and socioeconomic backgrounds (9%)
- 1.4 – Applying strategies for teaching Aboriginal and Torres Strait Islander students (15%)
- 1.6 – Applying strategies to support the full participation of students with a disability (9%)
- 2.4 – Understanding and respecting Aboriginal and Torres Strait Islander people to promote reconciliation between Indigenous and non-Indigenous Australians (8%).

- 6.1 – Identifying and planning for professional learning needs (11%)

Alongside this tool, ISQ has provided targeted programs that support the establishment of performance and development processes, enhance middle leader’s ability to lead colleagues for improved teaching, and establish mentoring for improved teaching.

ISQ has assessed how GTIS programs have directly influenced teacher practice, student outcomes and led to sustainable change. Through an evaluative framework (Earl & Timperley, 2014) ISQ has also been able to monitor the impact of programs in 120 schools.

For schools in GTIS programs, the most significant changes were increased numbers of teachers gathering and reflecting on student evidence, engaging in professional learning communities, applying collective learning to their teaching practice, and teachers gathering and analysing student data collaboratively to design

effective teaching.

Since 2016, 93% of schools who participated in a GTIS program indicate a 20% increase in the focus of teacher performance directly focused on student outcomes.

100% of schools who participated in a GTIS program have increased their focus on teacher and student feedback, and this reflects a 36.1% increase since 2016.

87% of schools are reporting that the analysis of student data is shaping their teaching practice. 100% of schools report teachers gathering to analyse data together. A growth of 39% since 2016.

Since the commencement of funding, 90% of all schools have reported that they have established classroom observation and over 80% are engaging in regular performance and development conversations.

Independent schools have embraced the National Certification of Highly Accomplished and Lead Teachers (HALT) with 19 schools now involved, with more than 60 current applicants. 27 teachers here certified as Highly Accomplished or Lead in 2018. This work has been growing 100% year on year since its first inception as the Professional Review Service in 2015. ISQ began facilitating external feedback on portfolios of teachers work aligned with the Highly Accomplished and Lead career stages of the Standards before becoming the first National Certifying Authority in Queensland.

All this data, collected annually via reports and continuously through programs, reflects a commitment by school leaders to work with ISQ to foster high-quality professional learning and development cultures, and a willingness from teachers to engage with evidence and work collaboratively to improve their teaching practice.

### Where to from here?

There is still room for more growth and improvement in teacher practice. While

the PGT can demonstrate that teachers have gained in confidence across the Standards over the last five years, fully registered teachers, often with more than 10 years' experience, still report that they are operating at the Graduate career stage in the following areas:

- 1.4 – Strategies for teaching Aboriginal and Torres Strait Islander students
- 1.6 – Strategies to support the full participation of students with a disability
- 2.4 – Understand and respect Aboriginal and Torres Strait Islander people to promote reconciliation between Indigenous and non-Indigenous Australians
- 3.7 – Engage parents/carers in the educative process
- 6.1 – Identify and plan professional learning needs

Almost a third of the workforce indicate that they regard themselves as barely proficient at supporting students with a disability, engaging parents/carers in the educative process, or embedding understanding and respect for Aboriginal and Torres Strait Islander peoples to promote reconciliation or teaching Aboriginal and Torres Strait Islander students. These are still areas where school leaders and teachers need to maintain a strong focus on establishing and promoting quality teaching.

There are also a significant number of teachers who still feel they cannot set professional goals and design learning plans for themselves in a proficient way. Without confidence in establishing their professional learning and development, it is difficult to achieve sustainable improvements in classroom practice.

While more and schools are engaging with HALT certification, rewarding excellent performance is the area where all schools reported the least engagement and experienced the least growth in the last five years. There are still conversations to be had about developing and rewarding quality teachers and quality teaching.

*School leaders set and influence the culture associated with teacher development in schools. To foster and accelerate excellent teaching, school leaders will need to continue to promote a research-informed, evidence-driven approach to instruction across a school.*

## Sustainable professional learning underpins school improvement

Evaluation of GTIS programs highlighted concerns that sustainable and long-term strategies designed to focus on teacher quality are not yet in place in some schools.

When asked about the sustainability of new professional learning and development activities, undertaken as part of the GTIS program, teachers expressed concern that their efforts in running action-research or inquiry teams, professional learning communities will not be supported beyond the last funding cycle of the program. Comments like the following have been recorded through the evaluation: "The worry is when the funding stops, the time we are taking to plan together and discuss student data will no longer be available." (Middle Leader, Strategy Program)

Only 64% of schools reported that teacher performance and development is included in school strategic and operational planning and only 72% of GTIS program schools reported that there are documents processes and protocols to support full implementation of the quality teaching initiatives established as a result of support and funding.

Building and maintaining an expert teaching team is key to accelerating school improvement. Masters (2016, p. 12) reflects on the importance of an expert teaching team and suggests: "Improvements in student outcomes are promoted by highly able teachers who work as a team and adopt shared

responsibility for student learning and success. Part of a school's improvement strategy may be to build a school-wide culture focused on improving classroom teaching".

More independent schools are engaging in school reviews about their current structures and pedagogical practices. These reviews are typically an in-depth evaluation of curriculum, assessment and learning support. Responding to the evidence collected in this process requires explicit planning about how to support teachers to implement necessary changes in their practice.

School leaders set and influence the culture associated with teacher development in schools. To foster and accelerate excellent teaching, school leaders will need to continue to promote a research-informed, evidence-driven approach to instruction across a school. A pre-existing culture of strong research-based teacher preparation and evidence-based practice is more likely to generate innovative visions of teaching and schooling and better performance (Collins, Tagney, & Newham, 2012).

## Collaboration and quality

To maximise the impact of the cultural change that has occurred since funding commenced in 2015, schools will need to remain committed to identifying and sharing quality teaching across teams, as well as acknowledging and leveraging the impact and influence of quality teachers.

“If we’re really interested in quality, we need to shift the conversation. We need to make it more about helping teachers to improve the quality of what goes on in their classroom” (Mockler, 2018, para. 16).

School leaders need long-term and sustainable strategies in place to develop the capacity of the teaching teams and leverage the impact of highly effective individual teachers. Sharing, celebrating and modelling highly effective classroom practice is key to ensuring teaching teams and high performing individuals amplify the impact of their practice.

The 2013 OECD *Teaching and Learning International Survey (TALIS) – An International Perspective on Teaching and Learning* was clear that teachers who learn collaboratively, more than five times a year, experience the highest levels of confidence and display the greatest sense of self-efficacy (OECD, 2018).

Teachers are the main actors in their classrooms. “At the same time, teachers act collaboratively and have the potential to significantly transform outcomes, by building bridges between classrooms and departments, and by engaging as (and with) school leaders and researchers” (Mincu, 2015, p. 1).

School leaders and teachers need to be talking about both quality teachers and quality teaching. A mature profession has the self-confidence to be able to identify and embrace those teachers who are leading the way in impactful pedagogy. School leaders must also actively recognise the effect of high performing teams, often led by evidence-driven middle leaders who support their colleagues to be consistently focused on the needs of cohorts of students and design professional learning activities that develop the capacity of all teachers to meet student needs.

## What's next?

ISQ is committed to continuing programs that promote quality teaching and develop quality teachers. GTIS has been expanded to incorporate educational data, coaching and mentoring. Action research programs are now presented alongside middle leadership, and strategy. HALT certification continues to grow. ISQ will maintain an ongoing evaluation of the impact of these programs and will continue to report on the impact a focus on quality teaching has on teacher practice, student outcomes and the establishment of sustainable, teacher performance and development cultures in all schools.

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