Independent Schools Victoria

Submission to the Australian National Audit Office
May 2017

Comment on the Performance Audit: *Measuring the Impact of Australian Government School Funding*

The Independent Schools Victoria Vision:

'A strong Independent education sector demonstrating best practice, providing excellent outcomes for students and choice for families'.

To realise this, we:

- advocate for excellence in education
- champion Member Schools
- support quality education
- protect the right of parents to choose where and how their children are educated.

Independent Schools Victoria will assist our 220 diverse Member Schools to continue providing the best possible education outcomes for the citizens of tomorrow.

Introduction

Independent Schools Victoria (ISV) welcomes the invitation to comment on the Australian National Audit Office's performance audit on measuring the impact of Australian Government school funding.

This submission is made on behalf of our Member Schools, based on comments made to ISV and, where appropriate, in light of the possible impact on the roles and responsibilities of ISV as a peak body and member service organisation.

The submission will address the three key focus areas:

- support, guidance and communication
- minimising administrative effort and duplication
- information use and feedback to stakeholders.

Measuring the impact of funding inputs on student outcomes is extremely difficult at the best of times. In Victorian Independent schools, the multiple sources of income – Australian Government funding, Victorian Government funding, fees and charges and other income, make it even more difficult to assess the impact of a single funding source.

Similarly, schools tend not to focus separately on accountability and reporting requirements to the Australian Government for funding purposes – these simply form part of the large amount of accountability that schools face to a range of government agencies, on top of their ultimate accountability to students and their parents.

Background

ISV was established in 1949 and today represents, promotes the interests of, and provides services to 220 Member Schools. In 2016, our Member Schools educated more than 142,000 school-aged students on more than 300 campuses across metropolitan Melbourne and in regional and rural Victoria, and employed more than 18,000 teachers and other staff to support these students. Many schools provide vocational education and training, as well as substantial services beyond school education, including long day care, out of school hours care, kindergarten programs and pre-Prep programs.

This submission is shaped by the educational, social and philosophical diversity of the Victorian Independent sector. Our membership reflects a variety of religious faiths and ethos with schools affiliated to Anglican, Assemblies of God, Baptist, Brethren, Catholic, Christian, Coptic Orthodox, Greek Orthodox, Jewish, Lutheran, Islamic, Pentecostal, Presbyterian, Seventh-day Adventist and Uniting churches. There are inter, multi and non-denominational schools, as well as schools for students with learning difficulties and individual needs and schools adhering to the Montessori and Steiner education philosophies.

Submission

Support, Guidance and Communication

It is frequently reported to ISV by new schools or by new staff in schools that it is difficult for them to establish what the accountability and reporting requirements are for Australian Government Department of Education and Training (Aus DET) funding. Aus DET's typical approach seems generally to be to publish information centrally and expect that people will see and be able to act on it. As such, schools are simply deemed to be aware of all of their obligations. For those who do not know this information already, they find it very tricky to establish what they need to know before they can attempt to learn the specific details.

This also means that schools can be caught by surprise when new reporting requirements are introduced, or when the requirements change, because the schools have often not been specifically advised of the changes. For instance, prior to 2014, schools did not need to formally advise the Australian Government where their state-based registration changed so that they could offer additional year levels. This was just something that, from the schools' perspective, seemed to happen automatically. However, since 2014, schools have been required to formally notify the Australian Government of new year levels by completing the Application for Approved Authority (AAA) form. Since they were not formally advised of this change, several schools were caught by surprise when they found that their final grant payment for the year was less than they expected because funding for the additional year levels had been excluded. While, in the end, the Australian Government did provide the extra funding, the confusion did create uncertainty and concern for schools.

Schools in receipt of Victorian Government funding are required to sign a Funding Agreement (currently an annual process) before they can receive funding, and all state accountability requirements are clearly outlined within this document. No additional reporting or accountability requirements can be added without a formal, written change to the Funding Agreement.

By contrast, since 2014, schools do not sign a funding agreement with the Australian Government. Instead, accountability requirements may be specified in the *Australian Education Act 2013* (the Act) or in the Australian Education Regulations (the Regulations). In addition, the Act allows the Minister to determine additional accountability requirements at any time. As a consequence, there is no single, easily accessible place where the Australian Government lists all reporting and accountability requirements for schools. The Australian Government has created a *Guide to the Australian Education Act 2013* which is available on the internet. However, once again, the Guide is not promoted to schools by Aus DET. Moreover, even for those who know about it, the Guide is not easy to navigate, since it covers the Act section by section, rather than allowing schools to see (for instance) all the information on accountability in a single place.

The help section of the School Service Point (SSP) web portal provides extremely thorough and useful information on the reporting requirements for Australian schools. In particular, the downloadable documents associated with each reporting requirement are very clear. However, the help section provides no information on the accountability requirements that do not have specific reporting requirements to the Australian Government (for instance, the requirement to provide parents with plain-English reports in a five-point grading format). Moreover, schools are often unaware of the existence of this information. Both when SSP was the primary reporting vehicle for schools and now that reporting has been shifted to School Entry Point (SEP), the help section is not highlighted on the web page, and there is no information provided or indication that this useful information is accessible for schools.

As part of the services that we offer to Member Schools, ISV has created a Compliance Calendar that outlines the key reporting and accountability requirements to both the Australian and Victorian Governments. However, for people who are looking to set up a school, or who have just set up a new school it would be useful for the Australian Government to create a similar document and, for instance, provide this to new schools as part of the set-up process.

With regard to the IT systems used for reporting to the Australian Government, these generally work reasonably well for schools. The greatest difficulty is for schools that are in remote locations, with poor internet access or limited bandwidth. Information can only be provided to Aus DET electronically, so a small number of schools have reported difficulty where they attempt to upload larger documents or need to enter data over a longer period of time. Instances of this occurring do, however, seem to have significantly dropped off recently (at least in Victorian Independent schools). ISV has also received a small number of reports from schools that they struggle to access SEP on certain platforms – while the portal works better on Internet Explorer, it does not work as well, for instance, on MS Edge, which was built by Microsoft to replace Internet Explorer.

The shift from SSP to SEP in 2017 also causes confusion for schools. Prior to 2017, schools provided most of their reporting data through SSP. In order to access SSP, most schools used a school-level username and password. While this did create security issues, the system made it much easier for schools to access and input information when staff changed.

In 2017, the Australian Government moved all reporting requirements to SEP. SEP requires individual-level usernames and passwords. It also provides access to different types of information at the individual level. While this is more secure, it has led to some teething problems for schools. In particular, people who have been able to access information through SSP for years are not automatically granted access in SEP to information that they have always previously provided. It takes time for a person to request access to particular information, then for Aus DET to contact the appropriate person in the school to confirm that this is acceptable, and then for that person to respond to Aus DET before access is granted.

A common frustration for Associations of Independent Schools such as ISV is that, since we are not schools, we are not able to see the information that schools are able to access through SEP or the layout of the pages. This limits our ability to assist people who are accessing SEP for the first time, since we are not able to talk through what they need to do step by step. It would be useful for Aus DET to create illustrated 'how to' documents that were located outside of the password-protected areas. This would also assist schools to identify the data that they require before the schools log in to SEP.

Minimising Administrative Effort and Duplication

Clearly, the creation of any new reporting requirement to Aus DET will increase the time and resources required for schools to allocate in order to meet that requirement. As a general rule, the individual, existing reporting requirements to Aus DET are not unreasonable. However, there is frequently a significant capital cost for schools to change their practices when a new reporting requirement is introduced.

For instance, while the actual amount of data being provided to Aus DET is fairly small, the introduction of the Nationally Consistent Collection of Data on School Students with Disability (NCCD) required a significant change in the way that schools collected and managed data internally on students with disability. While it is hoped that, over time, the collection of NCCD data will become more streamlined and more part of schools' normal

processes, this is not the case at the moment, and schools are required to allocate substantial time and resources to completing the collection.

More importantly, however, the reporting and accountability requirements to Aus DET do not occur in isolation, and schools would not usually distinguish between accountability to different government agencies. Victorian Independent schools, for instance, would provide reporting to:

- Aus DET for Australian Government funding
- the Victorian Government Department of Education and Training (Vic DET) for Victorian Government funding
- the Australian Charities and Not-for-Profits Commission (ACNC) as the regulator of charities
- the Victorian Regulations and Qualifications Authority (VRQA) as the regulator of schools
- VRQA as the regulator of vocational education
- VRQA as the regulator of overseas secondary student exchange organisations
- Aus DET through the Commonwealth Register of Institutions and Courses for Overseas Students for schools that enrol overseas students on student visas
- Vic DET as the regulator of pre-school services
- the Australian Children's Education and Care Quality Authority as the regulator of childcare services
- the Victorian Curriculum and Assessment Authority as the administrator of NAPLAN and senior secondary certificates
- the Australian Curriculum, Assessment and Reporting Authority as the host of the MySchool website and the calculator of some data used for Aus DET funding purposes
- the Victorian WorkCover Authority regarding workplace health and safety.

(Please note that this is far from a complete list).

In addition, even where schools do not have specific reporting requirements, they are also accountable under a wide variety of legislation. To get a sense of the range of accountability requirements for schools, visit ISV's [Compliance Framework](), which attempts to offer comprehensive on the range of issues for which schools must comply with government requirements.

Thus, for schools, it is hard to separate out Australian Government funding accountability requirements from all of the other things that they are required to do. While each individual reporting requirement may be reasonable and valid within itself, the accumulated effort required for reporting frustrates schools. Many Victorian schools are now moving towards the establishment of a dedicated Risk and Compliance Officer in order to keep on top of their constantly-changing requirements.

In particular, schools find duplicated reporting frustrating. With regard to their accountability for government funding, the lack of duplication is generally not too bad in Victoria – but this is largely because Vic DET attempts, where possible, to access data that schools have provided to Aus DET for state reporting purposes. However, this would be the exception rather than the rule. Given the wide range of legislation that covers schools, and the number of agencies to whom schools report, schools frequently provide the same data to different organisations. It is also common for different agencies to ask for almost the same data, but with slight variations or in slightly different formats, resulting in schools having to allocate resources to manipulate the same data in different ways.

One of the main focuses of the ACNC is to reduce red-tape for charities, and to work towards streamlined reporting requirements. This move is strongly welcomed by schools.

However, achieving such a task, particularly with regard to reporting to both state and federal agencies, is proving a slow and difficult task for ACNC.

Information Use and Feedback to Stakeholders

Measuring student outcomes from financial inputs is an extremely difficult task. While the share of total income received by Victorian Independent schools from the Australian Government varies considerably between schools, all schools receive income from the Australian Government, the Victorian Government and from private income. Since all income is fungible, schools do not link specific financial inputs to specific expenditure outputs.

It is even more difficult to link inputs to outcomes. Not only are there a wide variety of inputs that impact on student performance, but school education also covers a wide range of educational outcomes. For instance, for some students, encouraging them to come to school at all can be a significant outcome. Thus using standardised reporting to government will fail to recognise the multiplicity of inputs and positive outcomes for students.

Accountability requirements such as NAPLAN participation, student attendance data collection and the NCCD do provide the Australian Government with useful information that they can use to drive policy reform. However, there is an inherent tension in basing funding on the achievement of student outcomes:

- where funding is provided as a reward for performance, it fails to provide support for the poorer performing schools that need the greatest support
- where funding is provided as a reward for improvement in performance, it fails to support schools that are unable to improve because they are already performing well, as well as failing to provide support for those in greatest need of additional assistance
- where funding is provided to support schools with poor performance, it can act as a trigger for schools to reduce their performance, in order to access additional funding.