

Submission

to

Senate Employment, Workplace Relations and Education
References Committee

Inquiry into Commonwealth Funding for Schools

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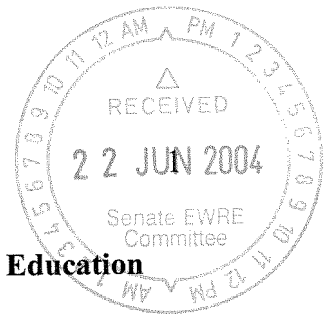
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**Submission to the Senate Employment, Workplace Relations and Education
References Committee Enquiry on School Funding**

Richard Teese

1. School funding should be seen in the context of large achievement gaps between individuals and between sub-groups of the Australian school population. Low achievement, poor motivation, early leaving, and low aspirations mean that the objectives of the Adelaide Declaration are not being met by significant numbers of children and young people. Achievement gaps are large and persistent and tend to grow over the stages of schooling, culminating in high rates of failure during the senior certificate years, high rates of attrition, and poor transition outcomes for school leavers. The social patterns of under-achievement are a yardstick against which to judge the effectiveness of the total funding effort of Australian governments in school education. While overall results in international tests of attainment, such as PISA, are favourable to Australia, the variations within Australia are unacceptably high and require concerted action on the part of all levels of government.

2. Within the scope of this submission, it is not possible to provide detailed evidence of the magnitudes of achievement differences. However, a number of published sources will be referred to at the foot of the submission.

3. From a policy perspective, the elaboration of principles of school funding represents an important step forward, but is inadequate in itself. There needs to be a national commitment to measurable objectives. These are only broadly described in the Adelaide Declaration, which stops short of setting targets for retention (for example). Reducing the achievement gap should be the foremost objective of government funding of school education, and this objective provides a framework for setting priorities in respect of levels of funding, targetting and evaluation of results.

4. Under current funding arrangements, expenditure per student varies greatly across school systems and within them. Within government systems, the amount of locally-raised funds has a significant, measured impact on student achievement. Independent schools offer their students approximately \$3,000 per head more than is spent on the average child in a government school. The Commonwealth government intends over the quadrennium 2005-2008 to spend approximately five times the amount of money per head on independent school students as on those in government schools. The total funding base thus differs greatly between systems. At the same time, the "community reach" of the different systems has evolved over time. Since the mid-1980s, the share of working-class students attending government schools has increased, while it has

fallen in both Catholic and independent schools. Government and Catholic schools have been losing their middle-class clientele to independent schools. A situation is emerging of deep social divisions in Australian schooling, and funding policies are aggravating these divisions.

5. Large gaps in funding are not compatible with quality outcomes for all students. Low levels of expenditure give schools too little flexibility in the application of teaching resources and too few program options.

6. The Commonwealth applies a funding methodology to non-government schools which is insensitive to real need and which has resulted in significant additional benefits for high-resource schools. The "SES methodology" assumes that children entering non-government schools from any given census collection district are a random sample of all children in that area and that they do not differ on key socio-economic, cultural, academic and income criteria from the average child in the area. It can be shown that this assumption is false, and that it leads to an over-estimation of "need" and directs scarce funds away from poor non-government (and government) schools to relatively well-resourced schools.

7. The SES methodology represents a most unsuitable adaptation of an approach to funding recommended by the Interim Committee of the Australian Schools Commission in May 1973. That committee proposed to identify high-need schools using a social area methodology and to fund such schools through a Disadvantaged Schools Program. It was correctly argued that since such schools were non-selective in intake, this methodology would accurately target them. By contrast, the current federal government's approach has been to fund *selective* schools through a social area methodology. This is inherently flawed. These schools work in the opposite way to non-selective schools, drawing in biased samples of students who are self-selected. This process of "creaming" undermines the learning environments of schools—both government and non-government—which are open to all. It is now a source of growing tension within non-government schooling itself, with more open schools seeing some of their best pupils "poached" by selective schools.

8. The Commonwealth has argued that the attainment of quality is best pursued by promoting market choice through subsidization of places in non-government schools. This has resulted in a multiplication of schools and an expansion of places. But there is no evidence of an improvement in learning outcomes for the groups of students most disadvantaged. The growth of "markets" in school education does not appear to have led to better targeting of resources to children in need or to better management of these resources. The behaviour of individual consumers may have changed, but where is the evidence of improvements in student learning outcomes or school performance?

9. Current approaches to school funding in Australia are inconsistent and contradictory. State and Territory governments allocate varying proportions of their budgets to equity programs, the impact of which is eroded by locally-raised funds. The Commonwealth supports “choice”, but in fact works to strengthen the competitive advantages of independent schools, whose recruitment policies, expenditure levels and resource strategies easily overpower the effects of average per student spending and average pupil mix in government schools. In this complex interplay of policies and ideologies, the only thing missing is the individual child.

10. If Australian governments are serious about raising standards of achievement, they need to agree on basic funding requirements for all schools, adjustments for locational and other forms of disadvantage, and accountability arrangements and performance requirements that will apply to all schools receiving government funds.

Richard Teese is Professor and Director of the Centre for Post-Compulsory Education and Lifelong Learning in the University of Melbourne. He is the chief consultant on the development of the new Resource Allocation Model for Victorian government schools, and with Associate Professor Stephen Lamb has carried out extensive research into achievement and expenditure in that system. Richard Teese is author of *Academic Success and Social Power. Examinations and Inequality* (Melbourne University Press, 2000), and *Undemocratic Schooling. Equity and Quality in Mass Secondary Education in Australia* (with John Polesel) (Melbourne University Press, 2003).