

Securing the Future

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Victoria as a Learning Community – directions for school reform

I'll focus on two questions: Is there a compelling reason to rethink school reform? And what can funding reform contribute?

Three observations have informed Victoria's answer to the first question:

- Record funding increases over the last ten years have produced little measurable shift in literacy and numeracy outcomes.
- International analysis suggests an ambiguous relationship between strong schooling results and funding levels. The issue is how money is spent, not how much.
- It's well established that better education and development should make us more innovative and productive, better governed, better connected globally, more socially cohesive, better parents, more active volunteers, and indeed healthier.

Victoria's conclusion is that – although we have a respectable and world class education system – there is potential to do better, and good reason to try.

Victoria is now developing its improvement plans, having set many directions through:

- Minister Dixon's *Victoria as a Learning Community* speech of last November;
- The *Vision for Languages Education* statement by Ministers Dixon and Kotsiras, also last November; and
- *New Directions for the Teaching Profession and School Leadership*, a discussion paper launched by Premier Baillieu, with Ministers Hall and Dixon, last June.

The headline goal in *New Directions* is to systematically improve students' learning and development outcomes sufficiently to reach the global top tier of education systems.

- This requires large improvements in literacy, numeracy and science in international benchmarking.
- Important as these foundation skills are, we will pursue them together with, not instead of, increases in students' capacity for creativity, problem solving, collaboration, initiative and self-awareness.

- Policy positions are now being crafted in response to the feedback we have received and analysis we have done.

So it's the lack of progress on fundamental measures of school performance, rather than the potential for funding reform, that has prompted Victoria to go back to the drawing board. Funding reform is merely one of many means to the end of improved learning.

- The core of the State's strategy is to make current funding work better through potential reforms identified by the Premier and Ministers, which I'll outline shortly.
- However, the Gonski report and the Federal Government's response raises the question whether the school funding system needs to be reformed also, and I'll come back to that too.

So how can we get better outcomes from our school system? Some principles guide our thinking.

- We can realise the laudable visions in the Melbourne Declaration and the National Education Agreement with coherent and ambitious strategy: that is, a carefully selected combination of measures which detailed analysis shows are likely to produce the desired effect.
- If we want to reach the top tier, basic mathematics tells us that raising below-standard students to the minimum levels, or raising the quality of the lowest-performing teachers, won't be enough. Improvement across the board is essential.
- An approach based on temporary programs and pilots awarded to schools through bidding contests can provide useful lessons, but is not a sound basis for systemic reform or genuine school autonomy. Broad-scale improvement will not occur unless ambitious plans are adopted by all schools using their core resources and their own coherent strategy.
- There is greater scope to use market reform measures. Educational culture and policy is wary of market signals and financial rewards, yet these already play a major role in shaping the school system, and could be leveraged to greater effect.
- Better learning outcomes won't be achieved through schools alone. Improvements in parental capacity, early childhood services, alternative settings, or vocational education may be more effective in some cases. Some possible questions worth exploring include:
 - o Can the combined suite of Commonwealth and State early childhood services provide better foundations for learning in children from 1 to 3 years old?
 - o Can we improve the pathways through which young people move from school to further education and work?
 - o Is there scope to correct Commonwealth-State misalignments in further education funding, for example between associate degrees and advanced diplomas, so that the course offerings of universities and training bodies are not driven by different funding rates?

So reform of schooling should be assessed against reforms across the full supply chain.

Nonetheless, a focus on schools remains crucial, and we are developing our reform thinking on several fronts, as outlined in the documents I mentioned earlier.

- Raising the quality of school leadership will be amongst the most critical ingredients for success. Principals are at a pivotal point in the system, directly accountable to the system manager and with direct influence over the teacher. Making principals more capable, empowered, managerial, accountable and networked is a focus of our developing reform program. Increasing the span of influence of the most capable is likely to be important.
- Teachers exert the greatest direct influence over students outside the home, and we must ensure that their selection and training better prepares them for professional life, and that they are better developed by school leaders and mentors once on the job.
- The autonomy of schools should be increased so they have greater scope to decide how to achieve the more exacting results that will be expected of them, without micro-management through regional bureaucracies, short-term project-based funding, or indeed excessive central prescription and uniformity that constrains local innovation and leadership.
- The translation of curriculum into teaching plans may warrant greater guidance and support in Victoria than it has been given historically. Many schools do this well, but those that do not deprive students of structured learning. The effective translation of curriculum into what is taught may be even more powerful in our case than adoption of national curriculum.
- School subject priorities must adjust to future needs, in particular the greater learning of science and maths, and of other languages and culture – both of which are keys to future economic competitiveness, global citizenship and good government.
- Clear and effective strategies to improve learning for high-need student groups – whether gifted, disabled, disengaged, vulnerable or rural – are vital. These are important aspects of an essential shift to more individualised teaching and learning.
- Because private schools in Victoria command a large market share, and private school failures can put considerable stress and risk onto the public system, we are asking how the accountability of non-government schools for their use of public funds should be improved.
- The practice of performance management, whether of principals by system managers or teachers by principals, is widespread in Victoria but generally perfunctory and unchallenging. A more discerning approach is essential to any school improvement strategy. A substantial benefit of a stronger link between teacher pay and performance should be the increased focus it places on rigorous performance management.
- There is scope for the practice of teaching to become more structured and methodical, and responsive to peers through classroom observation and feedback. It may be that no single practice change would raise school outcomes more than constructive and frank feedback from expert observation.
- The governance of schools is arguably underdeveloped when compared to the norms of corporate governance. How to improve governance as the next frontier of devolution of schools will be analysed in depth.

There is no silver bullet. Reaching the top tier requires a concerted effort on many fronts.

- The evidence base for future action is not so complete that we can predict with absolute certainty the outcomes of our reforms. We will need to be adaptive as our strategies roll out and results roll in. Devolving, trusting and holding accountable those closest to the

student will drive a system to evolve and improve rather than stagnate around a forced consensus.

- We have a large challenge to get the balance right between facing up to our lack of progress while engaging the leadership and workforce of schools – not to mention parents and students and even the universities that train our teachers – in an ambitious improvement program.

In the context of our improvement planning, I'll return to the earlier question: what contribution might funding reform make to this developing agenda?

Some preconditions for negotiation of funding reform have been articulated by Victoria, and I'll summarise them here.

- States are the system architects, the dominant funders, the performance managers, the major employers, the regulators, and the providers of key services such as curriculum and assessment. The Commonwealth is an important school funder but contributes about half the combined State spend (including only 10 percent of State school funding), and provides limited services jointly with the States and Territories.
 - o So reforms of any kind – whether of funding or policy – need to recognise the primary role of the States in education, and be compatible with the State's strategy to empower and incentivise schools to drive improvement.
 - o They must also recognise that non-government school system managers, such as the Catholic Education Office of Victoria, should retain autonomy over their funding and management arrangements.
- There is a high potential to create losers – at system or school level – if we try to unscramble the current funding eggs to make a new omelette.
- While acknowledging the Commonwealth's policy that no schools will be worse off, this assumes an unspecified commitment of State money on top of an unknown national contribution. It is no secret that State revenue is severely constrained – including through reduced GST shares – and there are important priorities in other portfolios. Like public sectors nationally and globally, we are strongly focused on finding efficiencies –and have made no budget commitment to enable funding reform.
- Uniformity in funding models across the States, which is often assumed to be the logical endpoint of reform, is not efficient or affordable. If one State can achieve equivalent school results to another State at lower cost, this is a good thing and should be enabled by the funding system. The current model provides that latitude.

Minister Dixon has previously acknowledged that there are potential benefits from the right model of funding reform if it improves school outcomes. To give some key examples:

- Reform could support school autonomy: through the conversion of temporary lines of project-based national partnership money to ongoing and untied funds.
- It could expand students' and parents' choice of schools: through significant convergence of funding across the government and non-government sectors.

- Convergence could also create more alignment and common purpose across the government and non-government sectors: which could provide benefits in the sharing of resources and the management of high need students.
- Reform could allow a refreshed accountability framework to be introduced across all schools: which would help drive improvement and may mitigate some of the risks of independent school failure.
- Benefits could flow to disabled and other high need students through greater alignment of support between government and non-government schools: this may be of particular benefit to low-SES students in the non-government sector.

However, realising these benefits would be a Herculean task given the constraints I mentioned earlier – which is why Victoria is willing to discuss reform possibilities but has made no commitment to negotiate.

I'll close by observing that whether or not funding reform happens, a revamped and strategic partnership with the Commonwealth Government is essential to school improvement.

- The right partnership would be one in which we support and challenge Victorian schools, and the Commonwealth supports us to do this, and challenges us also.
- It would respect the State's primary role and be based around a strategy that is crafted by Victoria and influenced by the Commonwealth to ensure its consistency with the National Education Agreement signed by COAG.

In this partnership, national reform would not mean one-size-fits-all: national frameworks for policy and funding reform would instead allow States and Territories, and in turn schools, to adapt and innovate from them.

- Indeed, this is essentially what was proposed in the Gonski report.
- We look forward to developing this strategic new relationship.