



Australian Government
Department of Education,
Skills and Employment

The National School Resourcing Board's Review of Needs-Based Funding Requirements

Australian Government Response





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The document must be attributed as the Review of needs-based funding requirements - Australian Government response.



Summary

The Australian Government welcomes the National School Resourcing Board's (the Board) Review of Needs-based Funding Requirements (the Review). The Board made ten recommendations that the Government agrees with. The Government intends to respond and implement these recommendations through a three phased approach.

The three phases are as follows:

Phase one [Recommendations 1 – 5]: will focus on working with stakeholders to develop a shared understanding of needs-based funding through guidance. This phase will commence in mid-2020 and expected to be concluded by the end of 2020.

Phase two [Recommendations 6 – 8]: will focus on data collection and reporting arrangements for needs-based funding. Phase two will commence after the shared understanding has been developed in phase one.

Phase three [Recommendations 9 and 10]: will explore additional transparency requirements once appropriate time has passed for needs-based funding arrangements to be settled. Implementation timing and arrangements for phase three will be determined in consultation with state and territory education Ministers.

The Government considers this approach provides an appropriate balance between guidance, transparency, accountability, and administrative reporting for the record and growing levels of Australian Government needs-based funding arrangements for schools, so that principals and teachers can focus on teaching to deliver improved student outcomes.

The Government's response to the Board's recommendations also builds on the measures the Department of Education, Skills and Employment has already implemented in response to the Australian National Audit Office (ANAO) report, *Monitoring the Impact of Australian Government School Funding*, and the related Joint Committee on Parliamentary Accounts and Audit (JCPAA) recommendations regarding increased assurance, compliance and transparency of Australian Government funding. The measures will address the concerns of the sector by providing guidance in order for Approved System Authorities (Systems) to comply with the legislative requirements for needs-based funding, including reporting, under the Act and Regulations.

The Government will work collaboratively with the non-government schooling sector and state and territory governments to implement the recommendations in the Board's Review and promote increased accountability and transparency for the results schools achieve with the public funding they receive, as affirmed in the December 2019 Alice Springs (Mparntwe) Education Declaration.

The Government will also continue to work with stakeholders to build the capacity of the government and non-government schooling sectors to comply with legislative requirements and identify administrative efficiencies.

The Government would like to thank all those who contributed to the Review, with particular thanks to the Board Chair, Mr Michael Chaney AO and the Board members, Emeritus Professor Denise Bradley AC, Professor Natalie Brown, Professor Greg Craven AO, Mr William (Bill) Daniels AM, Professor Stephen Lamb, Professor Ken Smith and Dr Alison Taylor, for their important report.



Summary of Recommendations and Australian Government Response

The Government intends to respond to the Board's ten recommendations in three high level phases. The Government will work closely with stakeholders during the phases with Recommendations 1 - 5 being addressed in phase one commencing in mid-2020, Recommendations 6 - 8 being considered in phase two and Recommendations 9 and 10 being considered in phase three.

Phase One: Development of Guidelines

Recommendations 1 - 5 broadly focussed on the Government developing guidance on needs-based funding arrangements, including the content, public availability and transparency of such documents. The recommendations considered greater transparency of the methodology and rationale for needs-based funding including base and loading amounts and that these components are to be made publicly available.

Response

The Government agrees with recommendations 1 - 5.

The response to these recommendations will commence in 2020 as part of phase one, with stakeholder consultation to develop a shared understanding of legislative requirements for the reporting of System's needs-based funding arrangements a critical component. This consultation will build on the department's assessment of needs-based funding arrangements that occurred in 2018.

Following the completion of this consultation, guidance will be developed that supports compliance by Systems for their own needs-based funding arrangements against legislative requirements. This targeted guidance will provide appropriate transparency and accountability of recurrent funding in schools as intended by the Act and Regulations.

Phase Two: Transparency and Reporting

Recommendations 6 - 8 proposed that the Government use Block Allocation Report data to publish non-government Systems' distribution of Australian Government funding at the System and sub-System level, against the Government's allocation to the System by base and loadings. Further, the Board recommended that the Government develop a methodology for identifying where a non-government System's distribution to a school varies significantly from the publicly funded share of the Schooling Resource Standard for the school.

Response

The Government agrees with recommendations 6 - 8.

The Government will commence activity in response to this recommendation after the completion of phase one and the establishment of shared understanding and guidance for needs-based funding. It would be premature to commence these recommendations without a shared foundation of understanding as it may result in inconsistencies or differences in approaches by Systems depending on their own interpretation of needs-based funding arrangements.



Phase two will include the analysis of existing data sets to determine their ongoing suitability for the public reporting of Systems' needs-based funding arrangements within the department's broader Assurance Framework. The Government will work collaboratively with state and territory education Ministers to progress to changes to data sets if required.

Following the development of options for the publication of needs-based funding at the System and school level, state and territory education Ministers will be in a position to consider how information on distribution and allocation of total public funding to schools (broken down by base and loading amounts) is made publicly available.

Phase Three: Transparency of Funding at the School Level

Recommendations 9 and 10 relate to consideration of any additional transparency of funding allocation and distribution, broken down by base and loadings, at a school level that may be warranted above that implemented in recommendations 6 - 8.

The Board recommended that following the implementation of Recommendations 1 - 8, and an appropriate settling-in period, the Australian Government, in consultation with states and territories, should consider whether there is a need for additional transparency.

Response

The Government agrees with these recommendations.

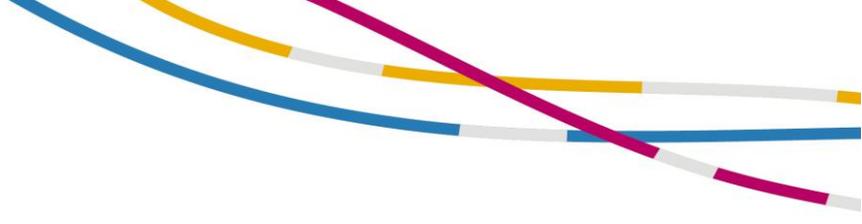
Further consideration of additional transparency will occur after phases one and two have been completed and sufficient time has passed for processes to be embedded and robust data sets available for consideration.

The Government will progress a response to these recommendations in consultation with state and territory education Ministers.

Building on Current Assurance Arrangements

The Government is confident that a phased approach to implementing these measures will provide an appropriate response to the Board's recommendations and will address concerns raised by the sector about the guidance and reporting of needs-based funding.

The Government's response builds on the measures the department has already implemented in response to the ANAO and JCPAA recommendations regarding increased assurance, compliance and transparency of Australian Government funding. The Government's approach will work in collaboration with the government and non-government schooling sectors by providing targeted guidance in order for Systems to comply with the legislative requirements for needs-based funding arrangements, including reporting, under the Act and Regulations.



Conclusion

The Government welcomes the National School Resourcing Board's report on the Review of Needs-based Funding Requirements and agrees with all recommendations.

The Government's response to the Board's Review is consistent with the intentions of the 2019 Alice Springs (Mparntewe) Declaration in that it commits to work in collaboration with stakeholders to promote increased guidance, accountability and transparency and to ensure that funding is provided to those students who need it most.

The Government looks forward to working closely with stakeholders to implement the new arrangements that will enhance the Commonwealth's existing needs-based funding for schools and ensure funding supports those students who need it the most.

Attachment A

National School Resourcing Board recommendations

<p>Recommendation 1</p> <p>Guidance from the Australian Government should focus on defining public availability and clarifying its expectations for transparency of needs-based funding arrangements.</p>
<p>Recommendation 2</p> <p>Needs-based funding arrangements should be available online on the Approved System Authority's website – be open and accessible by key stakeholders and the wider community – and available as a hard copy on request.</p>
<p>Recommendation 3</p> <p>The Australian Government should provide Approved System Authorities with guidance that standardises the minimum level of information required in a needs-based funding arrangement. This should include the:</p> <ul style="list-style-type: none">• Methodology for the arrangement (base and loading amounts, according to subsection 78(5) of the Australian Education Act 2013)• Rationale for the methodology <p>This guidance should be developed in consultation with the sector.</p>
<p>Recommendation 4</p> <p>Where an Approved System Authority's (System's) funding arrangement includes sub-Systems, the System should make the sub-System components of its needs-based funding arrangements publicly available from a single point, describing the methodology and rationale of the sub-System component.</p>
<p>Recommendation 5</p> <p>The Australian Government Department of Education should provide on its website at:</p> <ul style="list-style-type: none">• List of Approved System Authorities (Systems)• Statement advising whether all Systems have published their current needs-based arrangements.• Link to each System's website where its needs-based arrangement is published.
<p>Recommendation 6</p> <p>Notwithstanding the current reporting requirements for all Approved Authorities, the Australian Government should consult with State and Territory governments to develop reporting requirements that:</p> <ul style="list-style-type: none">• Reflect the Australian Government's role as the minority public funder of government schools• Provide a sufficient level of assurance and accountability.
<p>Recommendation 7</p> <p>The Australian government should use Block Allocation Report data to publish non-government Approved System Authorities' (Systems') distribution of Australian Government funding at the System and sub-System-level, against the Australian Government's allocation to the System by base and loadings.</p>
<p>Recommendation 8</p> <p>The Australian Government should develop a methodology for identifying where a non-government Approved System Authority's distribution to a school varies significantly from the publicly funded share of the Schooling Resource Standard for the school, in order to focus refinement effort.</p>
<p>Recommendation 9</p> <p>Following the implementation of Recommendations 1-8 and an appropriate settling-in period, the Australian Government should determine whether there is a need for additional transparency of funding allocation and distribution, broken down by base and loadings, at a school level.</p>
<p>Recommendation 10</p> <p>If additional transparency is required, Education Council should consider how such information could be made available with sufficient context to avoid misunderstandings and misapprehensions whilst reflect the acceptance of the principles of subsidiarity.</p>