

A NEEDED REFORM AGENDA FOR MANDATING BEST PRACTICE MONITORING AND EVALUATION REPORTING FRAMEWORKS IN AUSTRALIAN SCHOOL EDUCATION FUNDING PROGRAMS

Introduction

A detailed and critical Australian National Audit Office Performance Audit Report on 6 December 2017, "**Monitoring the Impact of Australian Government School Funding**", focused on the role of the Commonwealth Department of Education in monitoring the impact of Australian Government School funding (1). School Education Economists need to revisit the well documented monitoring approaches in their literature for evaluating the School Education Program Efficiency, Effectiveness, Economy and Equity dimension hallmarks of good School Governance.

Such an invigorated and renewed debate on School Funding Monitoring issues could initiate a new round of necessary and critical research leading to substantial subsequent reform policies. This focus could be broadened to include similarly upgraded monitoring activities in all of the eight State and Territory Centralised School Education Departments, to complement the ANAO current critical focus on the School Funding Monitoring activities of the Commonwealth Department of Education.

In 2014/15, 72 per cent (\$38.1 billion) of total recurrent public funding for schools (\$53 billion) was provided by State and Territory Governments. The Australian Government provided \$14.9 billion over the same period. The majority of State and Territory Government funding (91 per cent) was provided to government schools. Conversely, the majority of Australian Government funding (64 per cent) was provided to non-government schools, ANAO Report, p7.

The main ANAO conclusions

This recent ANAO Report provides a timely review of the existing approach by the Commonwealth Department of Education and Training to monitoring the impact of Australian Government School funding arrangements, in accordance with the **Australian Education Act 2013**. Its conclusions are:-

"(1) The arrangements do not provide a sufficient level of assurance that funding has been used in accordance with the legislative framework, in particular the requirement for funding to be distributed on the basis of need.

(2) Further the department has not used available data to effectively monitor the impact of school funding and to provide greater transparency and accountability.

(3) As such the department is not well placed to determine whether the current policy settings are effective in supporting the achievement of educational outcomes.

(4) The department is yet to establish sufficiently robust arrangements to ensure system authorities have in place, and make publicly available, compliant needs based funding arrangements.

(5) There are also weaknesses in the arrangements established by the department to collect and validate the information provided by approved authorities to account for funding.

(6) These weaknesses have reduced the level of assurance the department has that funding is allocated in accordance with the needs-based principles established under the legislative framework.

(7) The Department has not effectively monitored the requirement for system authorities to have in place needs-based funding arrangements and, therefore, is not well positioned to determine whether the basis on which authorities are distributing Australian Government funding is in accordance with legislative requirements.

(8) Further, in the interest of reducing the regulatory burden on the sector, the department has not monitored whether approved system authorities' funding models are publicly available and fully transparent as required.

(9) Such weaknesses in the current monitoring arrangements have undermined the department's ability to appropriately verify reported schools' data in order to assess progress against established policy objectives and to support accountability, transparency and analysis. This adversely impacts the level of assurance that the department has in relation to the use of Australian Government funding to progress agreed education policy objectives.

(10) Overall the arrangements established by the department have not delivered the level of transparency and accountability envisaged under the Act and the department has not fully utilised available data to inform the development of current and future education policy".

(11) The ANAO focuses more critically on the lack of "Monitoring the implementation of and progress against policy objectives". In this context "The department has not established robust arrangements to monitor the implementation plans that are required to be developed, published and maintained by authorities participating in the National Education Reform Agreement (NERA), or used the plans to measure progress against reform directions.

(12) Further, the department has not conducted bilateral discussions, prepared annual progress reports or conducted a comprehensive review, as required under relevant bilateral agreements. As a consequence, the department is not well placed to determine the extent to which reform directions established under the NERA have been progressed by authorities. The department has made limited use of the available data to build its understanding of the impact of funding on educational outcomes."

(13) In an apparently belated sign of renewal the ANAO acknowledged that, "The department is, however, working to build its data and evidence capability, including through the establishment of a branch tasked with helping the department to better manage its data assets".

Context for future drastic Reform in Monitoring School Grant Funding

Drastic reform of Australian School Education accountability focused on a more robust monitoring of Commonwealth and State funding levels should be based on clearly defined Efficiency, Effectiveness, Economy and Equity dimensions. These 4E'S of Good School Funding and Governance Accounting, is now an urgent national necessity because in March this year the "Gonski 2.0" Report is due to deliver its recommendations. An already budgeted tranche of additional Commonwealth School Funding will be delivered to both the 9,600 Government and Non-Government Australia's schools over the period 2018-2026.

As indicated above no comprehensive and rigorous evaluation and monitoring of the "impact" of past school funding by both Commonwealth and State Governments from 2011-2017 exists. This inadequate situation has now been clearly identified by the 6 December 2017 ANAO report. Renewed School Funding Monitoring institutions could now focus on determining the impact of such future School Funding levels using robust School Efficiency, Effectiveness, Economy and Equity Logic Model Frameworks, termed the 4E's of good School Education Governance and Performance.

Current Governmental 4E Audit standards for monitoring the spending of school funds by both State and Commonwealth agencies are either unknown or being ignored. Such wilful neglect must now be eliminated from Australia's School Education Funding Policies.

SECTION 1. School monitoring reform to overcome the neglect by the Commonwealth Department of Education and Training, (CDET) in its school funding oversight role.

The need now exists to initiate much broader 4E Monitoring and Evaluation reports to complement the reform proposals recently recommended in the Commonwealth of Australian National Audit Office School Funding Monitoring report published on 6 December 2017.

This ANAO report contains a strong critique of the inadequate past CDET approaches to monitoring and evaluating the impact of school funding levels. This report was buried in the rush to Christmas but now deserves much wider recognition in planning upgrades of school policy modelling that can assess the impact of past Commonwealth and State school finance amounts using state of the art monitoring and evaluation practices to better inform future school funding policy reform proposals.

Undoubtedly this insightful ANAO Report will be of great interest and relevance and a salutary warning to the current woefully inadequate Performance Reporting, Evaluation and Monitoring standards of other big spending Commonwealth Departments. Page 10 of this ANAO Report outlines the ANAO's four explicit recommendations and the Department's agreement to act expeditiously.

The recent response by the Australian Government to belatedly set up the National School Resourcing Board, (NSRB) to provide greater independent oversight over Commonwealth school funding impact is a welcome first step in achieving greater enforceable compliance and accountability standards for all schools and systems.

Such requirements were originally intended in the recommendations of the 2011 *Review of Funding for Schooling*. The forthcoming report of the "*Review to Achieve Educational Excellence in Australian Schools*", the "Gonski 2.0 Report," will undoubtedly reemphasise the need to better monitor the distribution of funding in parallel with their revised needs-based school funding model.

SECTION 2. The Case of the eight State and Territory Departments of Education.

The next series of steps in reforming School Funding Monitoring and Evaluation capabilities needs to focus on existing State and Territory Government School Education Department funding monitoring frameworks. Any similar school funding Monitoring and Evaluation assessment upgrades at the State and Territory level need to be informed by a recent well-crafted policy relevant contribution to this debate by Professor Rodney Maddock, now at CEDA, (2).

In his article entitled "**Why Education Departments should be broken up**", Professor Maddock describes their current shambolic decision making environments as "All State Government Education Departments make policy, allocate funds, build schools, operate the largest players in the field, (public schools), and act as regulators as well". "This bundle involves multiple conflicts of interest because the Departments operate the Public Education system but also regulate the public, the Catholic and the Independent School systems".

However clear directions for change in all State government school agencies are contained in the recent Productivity Commission "Competition Policy Review" headed by Professor Ian Harper which indicated that "Governments should retain a stewardship function separating the interests of policy (including funding), regulation and service delivery".

Professor Maddock draws the following conclusions from this PC Review as “the implication is that State and Territory Education Departments need to be **BROKEN UP**. Responsibility for the operation of public schools needs to be separated from the policy making and regulatory functions and put into a separate authority”.

“Having a single entity responsible for the delivery of public school education would also open up the way for other avenues of review, with the Auditor General’s (both Commonwealth and all State and Territory Audit Offices), being able to assess the value being delivered by benchmarking each State system against the others and also the non-government school systems”.

Other positive proposals that Professor Maddock identified were “the creation of an Office of the Education Ombudsman for all school systems, thereby increasing transparency and accountability. Also in their role as stewards, policy makers could be assessed with PISA, NAPLAN and other school level finance and staffing data for the overall performance of the system without distractions from operational considerations”.

Professor Maddock also makes reference to a follow up PC Review into the “Delivery of Human Services” which focused on education and health functions which reinforced the messages from the prior Professor Harper PC Competition Policy Review. “Such deliberations should result in Australia having a sensible Governance model for its School Education system” Professor Maddock concluded.

CONCLUSION

Taking into account the above bold and relevant reform proposals it is possible that a future innovative, adaptive, fully accountable and agile School Education funding system is ‘now within our grasp’.

The Federal Government now has a clear rationale for developing with their State and Territory Ministerial counterparts a once in a generation “break up” of the “Berlin Walls” surrounding the Australia wide Government School Education systems.

Any chosen reform proposals should canvass whether the Commonwealth Department of Education and Training should be abolished, after all they don’t run a single school in Australia.

These moves would closely align with those existing in the higher performing Canadian School Education Model, which has no overreaching Federal Education Department that can intrude into Provincial School Education Policy or Programs.

I trust the above overview will assist in generating sufficient momentum to force major changes in the rather “laissez faire” current approach to Monitoring and Evaluating the 4E’s of Australian School Funding and Good School Governance policy.

Vincent Charles Blackburn, Founder Essential Education Economics (E3), Bachelor of Economics and Master of Political Economy, University of Queensland and Master of Administrative Studies, ANU.

REFERENCES

1. **THE AUDITOR GENERAL, ANAO REPORT No. 18 2017-18, “MONITORING THE IMPACT OF AUSTRALIAN GOVERNMENT SCHOOL FUNDING,” Department of Education and Training, December 6, 2017, Australian National Audit Office.**
2. **“WHY SCHOOL EDUCATION DEPARTMENTS SHOULD BE BROKEN UP”, R MADDOCK AND L CAMPBELL, THE CONVERSATION, 1 JUNE 2016.**

