

Student-centred funding model

Linking school funding with student need



From the Minister

The next step in the Government's reform of public education is through the establishment of a new funding model driven by the learning needs of students and delivered to schools through one line budgets.

This is quite different from the current mechanism that funds school types and programs through numerous funding lines using complex multipliers and formulas.

Establishing a model that is based on equity of funding for individual students will help ensure that every child in Western Australian public schools receives the opportunity for a high quality education.

The case for a new funding model is both clear and compelling. A comprehensive review by The University of Melbourne found that the current way of distributing and allocating resources is out-dated and inflexible. Importantly, the review also found that funding could be used more effectively to improve students' learning outcomes.

Our new student-centred funding model has been informed by the findings of this review. It complements other education reforms including school autonomy driven by the highly successful Independent Public Schools initiative and the increasing number of flexibilities extended to all schools so they can better respond to the needs of their students.

There is no doubt that changes to funding models are challenging. Next year the groundwork will be laid to implement the model. This will see alterations to some aspects of funding allocation and distribution processes that will ensure a more effective and sustainable use of resources. Further alterations will be made in 2015 which will then lead into the new model. In 2015 all schools will have one line budgets.

The State Government will be working closely with educators and key stakeholders ahead of 2015 to ensure that implementation of the new model is as seamless as possible.

An effective and contemporary funding model is vital to meet the educational needs of students today and into the future.



Peter Collier MLC
Minister for Education

August 2013



The case for change

The case for changing the way resources are distributed and allocated to public schools in Western Australia is compelling.

The Department of Education identified the need to review the current mechanism in 2008 and undertook initial scoping at that time. This work confirmed the need for a major review.

Over the last two decades, there have been considerable changes to how schools operate; the ages of students attending various stages of schooling; the curriculum that is delivered; and the learning needs of students. More recently, the degree of autonomy in which schools operate has changed significantly. From 2015, the type of schools that Year 7 students attend will also change.

First comprehensive review in 20 years

The first comprehensive review in more than 20 years was undertaken in 2010 and 2011 by The University of Melbourne's Centre for Research on Education Systems under the leadership of Professor Richard Teese.

The review examined the enrolment and performance profiles of schools to determine a sample of schools for review that reflected the diverse nature of the WA public school system.

In a sample of 82 mainstream and education support schools analysis of data, an interview with each principal and a site visit to each school was undertaken to see how schools use their current resources. An online survey of leaders in these schools covered areas such as teaching and learning challenges, funding issues, factors affecting student learning and school performance, current funding arrangements, staffing, and community relations.

An online survey was extended to all principals and provided a rich array of information on school performance and school resourcing.

Consultations were undertaken with professional associations and small groups of principals to inform the writing of the report entitled *Development of a school funding model for Western Australian public schools: Report on funding and options*.

Key findings from the review

The review found that governments in Western Australia have sought to deliver equitable resourcing across a large and very diverse jurisdiction. Adjustments to staffing formulae and many special purpose lines of funding have tried to tackle problems of educational disadvantage.

With many piecemeal changes made over the years, the review found that the funding mechanism is now excessively complex. Inefficiencies are compounded by complicated staffing formulae, multitudes of funding lines, numerous multiplier effects and many bolt-ons over two decades.

Professor Teese concluded that the mechanism could not cope with any more adaptations or additions.

The review also found that funding could be used more effectively to improve student outcomes, and that principals want more flexibility in using available funds so they can better target student needs.

It also proposed that any new funding model should consider each student according to their educational needs, rather than just where they live or what school they go to. It should also provide schools with more flexibility in planning and using resources.

The review concluded that a new model is needed to set schools on the continuing path to ensure success for students in the future.

Discover more

An executive summary and the full review are available.

W: det.wa.edu.au

The new model and one line budgets

The new student-centred model will start in 2015 with funding distributed to schools through one line budgets.

Two categories of funding for students

The model, which has two funding categories, will deliver all resources as funds on a per student basis.

The majority of funding will be provided for each student enrolled. This is the per student funding. For primary school aged students there will be three levels of funding: Kindergarten, Pre-primary to Year 3, and Years 4 to 6. For secondary school aged students there will be one level of funding for Years 7 to 12.

The second category of funding will address specific student and school characteristics. It will be provided for eligible Aboriginal students, students facing social disadvantage, students with English as an additional language/dialect and students with disability; as well as for students in small schools and schools in isolated and remote parts of the State.

This category will take into account the huge diversity of the student population in Western Australian public schools and the critical influence of these identified student and school characteristics on education outcomes.

Where funding will be provided for particular students (for example, students with disability), principals will need to ensure that the total value of the funding for those identified students in their schools will be directed to their needs.

Increased flexibility through one line budgets

Funding for all schools will be delivered through one line budgets. Each school's one line budget will consist of a salaries component and a cash component, with capacity for resources to be moved between these two components.

Salaries will be charged at a set salary rate determined by the system average plus on-costs.

Schools will have the flexibility to determine staffing profiles to match the circumstances and profiles of their students, within industrial parameters and Government and Department policies.

The new model and one line budgets will further support the move away from a highly centralised system. They will provide principals with more control over available resources so they can make the best educational decisions for their students and be more accountable for the performance of their schools.

All schools will be provided with support to implement the new model and move to one line budgets. There will be new software and tools so schools can plan and monitor expenditure effectively.

The new model will also streamline processes and further extend the flexibility of one line budgets for Independent Public Schools.

Other funding

Items such as capital works, maintenance and security services will continue to be paid for and managed centrally. Schools will continue to receive separate funding lines for staff and services provided centrally and across regions (eg school psychologists).

Only specific Commonwealth programs (eg national partnership funding) and key State Government election commitments (eg Independent Public Schools' administration funding) will remain as separate funding lines.



Student-centred funding model

Per student funding		
Funding for all students in all schools	<ul style="list-style-type: none"> • This will be how the majority of funding is distributed for students. • Funding will be provided for each enrolled student. • For primary school aged students there will be three levels of funding for Kindergarten, Pre-primary to Year 3 and Years 4 to 6. • For secondary school aged students there will be one level of funding for Years 7 to 12. 	
Student and school characteristics funding		
Funding for eligible students and schools	<p>1. Aboriginality allocation</p> <ul style="list-style-type: none"> • The allocation will be provided for eligible students to help schools address the learning needs of Aboriginal students and close the education achievement gap between Aboriginal and non-Aboriginal students. • A per student allocation for eligible students will be provided through a weighting based on the number of Aboriginal students in a school. 	<p>2. Social disadvantage allocation</p> <ul style="list-style-type: none"> • The allocation will be provided for eligible students to help schools address the higher and additional learning needs of students in disadvantaged communities. • The allocation will be based on a new socioeconomic status (SES) scale of relative disadvantage for individual students that replaces current whole-school SEI measures. • A per student allocation will be provided for eligible students reaching the low SES threshold.
	<p>3. English as an additional language/dialect (EAL/D) allocation</p> <ul style="list-style-type: none"> • The allocation will be provided for eligible students to help schools address the learning needs of all EAL/D students. • A per student allocation will be based on categories of educational need and teaching and learning adjustments required. The ESL/D Progress Map will be the basis for determining needs. • The allocation will replace the current teacher, ethnic assistant, social worker and other FTE allocations and special purpose funding allocations for EAL/D students. • The allocation will be calculated as the number of EAL/D students x assessed need x per student amount. 	<p>4. Disability allocation</p> <ul style="list-style-type: none"> • The allocation will be provided for eligible students to help schools address the learning needs of students with disability. • A per student allocation will be provided based on categories of educational need and teaching and learning adjustments required. • The allocation will replace the current teacher, education assistant and other staffing and funding for students with disability. • Student eligibility categories considered under Schools Plus will continue.
	<p>5. Small school allocation</p> <ul style="list-style-type: none"> • The allocation will be provided to eligible small schools where the per student funding is insufficient to meet basic school operating costs. • A per student allocation will be provided, with primary and secondary schools receiving different allocations that reflect differences in size and complexity. • Once a school reaches a certain enrolment size, the allocation will be phased out through a tapering mechanism. • Kindergarten to Year 12 schools and district high schools will receive the same allocation as secondary schools as they need to provide secondary school classes. 	<p>6. Locality allocation</p> <ul style="list-style-type: none"> • The allocation will be provided to eligible schools in isolated and remote areas to help them meet additional costs unique to their localities. • Locality will be considered separately from school size. Constraints of size will be dealt with through the small school allocation. • Isolation and remoteness will be defined by distance from key services as measured by the Accessibility/Remoteness Index of Australia and local contextual factors (eg utility costs).

Implementing the new model

The new student-centred funding model and one line budgets for all schools will be in place for the beginning of the 2015 school year.

In 2014 and 2015 a number of funding areas and processes will change in readiness for the new model.

	2014	2015
Per student funding	Per student FTE allocations will be implemented for Kindergarten to Year 2 education assistants	All current funding lines (FTE and cash) – apart from funding lines related to student and school characteristics as below – will be consolidated into a single allocation for each student enrolled. The amount will depend on the year level of each student.
Student characteristic: Aboriginality allocation	Schools will receive AIEO allocations relative to the number of Aboriginal students and not influenced by their year levels.	All current Aboriginal education funding lines (FTE and cash) will be consolidated into a single allocation per Aboriginal student for eligible schools.
Student characteristic: Social disadvantage allocation	No changes.	All current SES funding lines (FTE and cash) will be consolidated into a single allocation per eligible student for eligible schools. A new SES measure will replace the current SEI measure.
Student characteristic: English as an additional language/dialect (EAL/D) allocation	Schools will receive teacher FTE allocations for students accessing EAL/D support and IECs on a per student basis. This will not be influenced by year levels of students.	All current EAL/D funding lines (FTE and cash) will be consolidated into a single allocation per eligible EAL/D student determined by English language proficiency using the ESL/D Progress Map.
Student characteristic: Disability allocation	Schools will receive teacher FTE allocations relative to student educational need and not influenced by year levels of students.	All disability funding lines (FTE and cash) will be consolidated into a single allocation per eligible student with disability.
School characteristic: Small school allocation	A tapered base will be implemented for the teacher FTE allocation. This will be different for primary and secondary schools.	All current base resourcing will be consolidated into a single allocation and redistributed to small schools. The amount will differ for primary and secondary schools and gradually phase out as school size increases in line with the increasing level of funding that will come with per student funding.
School characteristic: Locality allocation	No changes.	All rural and remote resourcing will be consolidated into a single allocation and redistributed to eligible schools. A remoteness index and contextual factors will be used to determine eligibility.
Other	Other funding lines will be devolved to schools (eg postage).	Funding through the School Support Program Resource Allocation will be replaced by the student and school characteristics allocations for Aboriginality, social disadvantage, disability and locality.

Student-centred funding model	
Per student funding	<p>For primary school aged students there will be three levels of funding for Kindergarten, Pre-primary to Year 3 and Years 4 to 6.</p> <p>For secondary school aged students there will be one level of funding for Years 7 to 12.</p>
Student and school characteristics funding	<p>This funding will be provided to eligible students and schools through six allocations:</p> <ul style="list-style-type: none"> • Aboriginality allocation • Social disadvantage allocation • English as an additional language/dialect (EAL/D) allocation • Disability allocation • Small school allocation • Locality allocation

Key principles	
Fairness	The model is a fair and equitable means of allocating funding so schools can make the best choices for students to achieve their standards of learning.
Responsiveness	The model responds to differences and changes in the circumstances of individual schools and their student populations.
Flexibility	The model enables resources to be used flexibly to best meet the learning needs of students.
Transparency	The model is straightforward to follow and clearly shows what is being funded and how it is being funded.