



Addressing educational disadvantage

ACER was commissioned by the Review of Funding for Schooling Panel to assess the way school funding is targeted to disadvantaged students.

Adrian Beavis discusses the findings of the report.



The current government review of school funding is an opportunity to ensure that every school has the resources necessary to enable all students to reach their potential. Some students require more resources than others. Many students in Australian schools are educationally disadvantaged and require extra support, and therefore extra funding.

The Commonwealth Department of Education, Employment and Workplace Relations, as part of the review of school funding, recently commissioned ACER to conduct an assessment of current processes for targeting of schools funding to disadvantaged students. The resulting report considers the questions: what are the main

areas of educational disadvantage, how do existing programs seek to address educational disadvantage, are these programs effective, and should alternative funding approaches be considered?

Areas of educational disadvantage

Educational disadvantage comes in many forms. The groups of educationally disadvantaged students identified for this study were students with disabilities, Aboriginal and Torres Strait Islander students, students with limited English language proficiency, low socioeconomic status (SES) students, and students in regional, rural and remote areas.



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Research showed there has been steady growth in the enrolment of students with disabilities. In 2008 there were nearly 158 000 students with disabilities receiving targeted funding. Government schools accounted for about 80 per cent of these students. The number of students with disabilities enrolled in the government sector as a proportion of all students varies between states but averages between five and six per cent, compared to just under three per cent in the non-government sectors.

The number of Aboriginal and Torres Strait Islander students has also grown steadily across the school sectors nationally. During the past decade, nationwide enrolment of these students in government schools grew by about 35 000 students to reach nearly 134 000 and increased by about 7500 in non-government schools to total 22 300. Aboriginal and Torres Strait Islander students represented nearly six per cent of total enrolments in government schools compared to nearly two per cent in non-government schools.

While it was difficult to map the demand and provision of services supporting English language proficiency, the analysis found that over 176 000 students are currently enrolled in English as a Second Language (ESL) programs. Student enrolments with a Language Background Other Than English (LBOTE) range from less than 10 per cent to nearly 25 per cent across jurisdictions. Non-government schools have a greater share of LBOTE students in six out of the eight jurisdictions across Australia.

Socioeconomic status is measured in different ways by the Australian government and different states and territories. The 2006 National Census revealed that about 77 per cent of children from low income families (where family income is less than \$1000 per week) are found within government schools. Around 26 per cent of all students at government schools were from low

income households compared with 17 per cent at Catholic schools and 19 per cent at independent schools.

Students in remote and very remote areas are a small part of the Australian school population. In 2008, there were about 50 000 students in remote areas and just over 30 000 in very remote areas spread across Australia. A further 876 000 students were located in provincial areas. Around 70 per cent of students in provincial areas, more than 80 per cent of students in remote areas and 89 per cent of students in very remote areas attend government schools.

Funding for educational disadvantage

In the 2009-10 financial year national targeted government funding for disadvantaged groups totalled about \$4.4 billion. Nearly \$2.8 billion (62 per cent) of this was allocated for students with disabilities. Low SES students received about \$585 million (13 per cent) of targeted funding, Indigenous students received \$436 million (10 per cent), regional/rural/remote students \$337 million (eight per cent), and English Language students \$333 million (seven per cent). Due to the complexity of funding arrangements and differences between the states and territories, these figures are likely to underestimate total funding to educationally disadvantaged groups. There may also be considerable overlap between some of these groups, so these figures need to be treated cautiously.

Funding is currently allocated by using a variety of methods such as per school and per student formulae, grants and school-based submission models, and entitlement models where a particular type and level of service, rather than a dollar amount, is specified. For example, all states and territories allocate funding to government schools for socioeconomic disadvantage, disability and ESL, in forms such as additional staffing, added weights to a school's base budget and per-student

or grant payments. Several jurisdictions also provide funding through targeted programs for identified groups with conditions attached to the use of funds. Non-government schools receive grants from state and territory governments that are calculated using different formulae, weightings and procedures.

A significant problem for non-government schools is dealing with abrupt changes in the amount of school level targeted funding required for disadvantaged students. For example, when a student with a disability enrolls the school may need to install an elevator to accommodate a wheelchair.

The government sectors are better placed to absorb these costs because they set aside about 13 per cent of their total budget for disadvantaged students, which can be distributed across each system to reduce the impact at the individual school level.

Conclusions

The analysis revealed that very few existing programs have been evaluated for their effectiveness in reducing the impact of disadvantage on educational outcomes.

Anecdotal evidence collected as part of the study suggests that all states and territories feel that ESL programs and remote and rural programs are, on the whole, effective in delivering positive educational outcomes to students. The effectiveness of specific Indigenous and low SES programs was unclear. It also remained unclear to what extent policies designed to increase parental choice of school led to an increase in the concentration of disadvantage.

The funding of students with disabilities is an important issue for the non-government sector due to the current imbalance with government sector schools in resourcing for these students. The report points out that there are good reasons for this imbalance. Government schools, as part of a large system, have budgets that can smooth out the lumpiness that the enrolment of a student with

disabilities can cause locally. The report proposes the establishment of a standard disabilities entitlement to frame minimum funding standards across the Catholic and independent sectors in all states and territories. Such an arrangement needs to be considered in relation to equity, effectiveness and efficiency. In terms of equity, the financing should not deplete already existing funding for government schools.

For government schools, funding for students from low SES backgrounds is important because of the higher concentration of these students in the government sector, and particularly in

some schools which have lost students and staff as their condition deteriorates. (These are referred to as 'residualised' schools in the report.)

The report proposes an alternative funding mechanism for these schools where, by delivering significant investment funding above and beyond current funding for a period of up to ten years, such schools would be able to invest in areas such as quality teaching practices, materials, school leadership and facilities. A key outcome of this investment strategy would be an increase in student enrolments delivering long term savings in the unit costs of schooling.

The report concludes that there is no straightforward, 'one-size-fits-all' approach for government funding of disadvantaged students. Each group has its individual needs and the costs associated may differ significantly between them.

The full report, *Assessment of current process for targeting of schools funding to disadvantaged students: A report prepared for the Review of Funding for Schooling Panel*, by Adam Rorris, Paul Weldon, Adrian Beavis, Phillip McKenzie, Meredith Bramich and Alana Deery is available from <http://research.acer.edu.au/policy_analysis_misc/10/> ■

